

THE TIMES SATURDAY SEPTEMBER 27 1986

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25p

Defiant Steel vows to keep nuclear policy

Mr David Steel yesterday defied his party's vote this week for a non-nuclear defence policy by pledging himself to the maintenance and updating of Polaris.

By Robin Oakley, Political Editor

Assembly reports 4
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Frank Johnson 20



Mr Ron Hughes and his wife Helene, before setting out on the voyage to Australia.

Yachtsman survives 10 days adrift

A British yachtsman flew home last night after the "unimaginable nightmare" of surviving 10 days in a lifeboat after a wave capsized his catamaran, drowning his wife of just two months.

EEC declares war on the 200 most wanted terrorists

The biggest intelligence-coordination operation ever mounted in Europe to counter terrorism was set in motion yesterday following the successful Trevi Group meeting of Interior Ministers on Thursday.

Portfolio Gold

There is £20,000 to be won today in The Times Portfolio Gold competition - £16,000 in the weekly competition because there was no winner last week and £4,000 in the daily competition.

Left mounts twin attack on Kinnoek

Mr Neil Kinnoek, the Labour leader, came under twin attack from within his party yesterday over his stance on nuclear energy and over his alleged desertion of his party's soft left.

TSB statement delayed

The estimated 4.25 million people who have applied for Trustee Savings Bank shares will not know until tomorrow or Monday how much in total has been subscribed.

Safety checks ordered on DC9 jets

backwards and forwards a few more times - and it broke off in his hands. McDonnell Douglas immediately warned airlines of the incident and suggested that they check all the DC9s in operation around the world.

Cabinet may ban Libya airline from Britain

The Cabinet is to consider a complete ban on Libyan Arab Airlines flights into Britain after yesterday's 25-year jail sentence imposed by an Old Bailey judge on an extreme Arab terrorist leader.

White gunmen free rival of homeland chief

Three men, two of them white, were injured when a bomb exploded in a hotel in Johannesburg yesterday.

Surprise move by Karpov

With five days to go before the final shoot-out, excitement hit Leningrad yesterday when Anatoly Karpov unexpectedly used his third and final time out in the World Chess Tournament.

Nuclear rules

A set of international measures designed to cope with nuclear disasters, the first such agreement since the Chernobyl disaster, was agreed in Vienna.

Beirut escape

A journalist employed The Guardian escaped from three gunmen who were trying to abduct him in Beirut by running down an alleyway to hail a taxi.

Reagan faces revolt on veto

President Reagan was yesterday vetoing a tough Congressional bill of economic sanctions against South Africa, provoking uproar among anti-apartheid activists, and risking a humiliating override of his action by both the Senate and the House of Representatives.

Next week

Your house: castle or prison? On Monday The Times starts an investigation no reader can afford to miss. Britain is in the middle of the biggest property boom since the '70s. But behind the figures lies a startling and disturbing story.

Death camp charges prepared

A 25-page charge sheet against the man Israel claims was the executioner at the Treblinka death camp has been completed for submission to the Jerusalem District Court on Monday.

"La Manga Club is perhaps the most remarkable development in all Spain"

Advertisement for La Manga Club, featuring a large image of the resort and text describing its amenities and location in Southern Spain.

Table with 4 columns: Home News, Letters, Births, deaths, marriages, Science, Sport, 35-38, 40, 42, 44, 46, 48, 50, 52, 54, 56, 58, 60, 62, 64, 66, 68, 70, 72, 74, 76, 78, 80, 82, 84, 86, 88, 90, 92, 94, 96, 98, 100.

NEWS SUMMARY

Workers protest over dockyards job cuts

More than 12,000 workers at Devonport naval dockyard walked out yesterday in protest at government plans to privatize the yard.

Protest halts buses

Bos travellers in London were left stranded for more than two hours yesterday when drivers and conductors took industrial action over the use of non-union agency staff in their canteens.

Tapes aid for police

Guilty suspects are more ready to confess when interviewed with the police as being tape recorded, Mr Douglas Hogg, Under Secretary of State for the Home Office, said yesterday.

Cottages Soldiers arson fear get life

North Wales police believe arsonists have renewed their campaign against English-owned property after fire destroyed three holiday cottages.

Cruise protester hurt

An anti-nuclear group protested yesterday after one of its members was injured and ignored by a military ambulance crew during a demonstration which disrupted the biggest ever cruise missile exercise in Britain.

A proud farewell

Mr Harold Musgrove, the retiring chairman and chief executive of Austin Rover, believes the company now has a range of cars that will see the end of its reputation for poor quality and unreliability.



'Dead' man is alive

The Foreign Office is investigating why a tourist who died on holiday in Spain had a British Visitor's Passport made out in the name and address of a man who was safely at home in Worcestershire.

Thatcher advice on cutting waste

Mrs Margaret Thatcher toured the Energy World exhibition in Milton Keynes yesterday and advised businessmen on how they can cut waste within their companies and within their homes, save money and create jobs.

'Minister is to us what Durham is to Church' Tory MP calls on Currie to quit

A Conservative MP has called for the resignation of Edwina Currie after only two weeks in office as junior health minister.

Mr Holt, who has just returned from a visit to the United States with the all-party British-American parliamentary group, said: "I have written a curt note to Mrs Currie saying that perhaps before she embarrasses the party further she might like to reconsider her position and stand down - and not put the Prime Minister into a situation where she has to take more positive action."

Currie: "If you drink beer all night and eat chips all day it [ill health] is hardly surprising. I think she talked a great deal of hard sense."

Company mistrusts Wapping ballot

News International, which has offered compensation of £58m to settle the eight-month-old Wapping dispute, said yesterday it had little or no confidence in the voting system being used by Sogat '82, the largest print union involved.

Because of its concern that every Sogat '82 former employee should have a vote, the company has invited the TUC to conduct or monitor a new balloting process to ensure that each dismissed worker receives a voting paper, that each dismissed worker is given an opportunity to express his view free from interference or undue pressure, and that the ballots are properly and fairly conducted.

Tribute to poet who loves cats

By Philip Howard Literary Editor

Who owns these velvet pads with needles? Cat. Who has a silver coat and paws? Cat. Who made these unspeakable pigeon guts? Cat.

The most famous cats in the world were honoured yesterday, when the Poet Laureate, known for his work about less urbane and less urban animals, unveiled an English Heritage blue plaque to the cat lover and cat Homer at 3 Kensington Court Gardens, west London.

Four Quartets were originally called The Kensington Quartets; and Gloucester Road Tube station occurs to strike effect in them. And several of Old Possum's Practical Cats belong in Kensington, most notably Manxmouse and Rumpelstiltskin, who made their home in Victoria Grove, Cornwall Gardens, and Lamprovision Place. Furry footfalls echoed in the memory as Ted Hughes drew the veil from the plaque. There was a shadow of the elusive Macavity, a creature to put the fear of God into even the Black Beast Crow.



Memorial to a wordsmith, the plaque in Kensington.



Ted Hughes, the Poet Laureate, at yesterday's unveiling of a plaque to T.S. Eliot (Photograph: Ros Drinkwater).

Liberal Party Assembly Tories capitalize on Alliance disarray

By Richard Evans Political Correspondent With the Liberal Party assembly hardly over, senior government ministers last night swooped to take full advantage of the apparent shambles and political embarrassment caused to Mr David Steel by denouncing the week's proceedings as a fiasco and disaster.

Thames: "It really does not matter how much the two Davids may agree if their two parties do not agree. It's no good the two Davids having tea together when their parties are choosing different menus at separate tables."

'No indoctrination' in school peace studies

By Mark Dowd, Education Reporter Fears that schools which include peace studies in the curriculum successfully indoctrinate their pupils are ill-founded according to a survey of 25 British schools.

New drive to boost sale of council homes

The Government is planning a new campaign to encourage council tenants to buy their homes under its "right to buy" legislation (Christopher Warman writes).

Tougher rules on use of pesticides

By John Young Agriculture Correspondent New regulations governing the supply, storage and use of pesticides, including controls on aerial spraying, were announced by the Ministry of Agriculture yesterday.

Science report Doctors' dilemma on implants

By A Special Correspondent Neural implants are one of the new hopes for treating sufferers of degenerative brain conditions, but they pose an ethical dilemma to American researchers.

Science report Doctors' dilemma on implants

They have received such treatment, but with only modest success. Another alternative is cells grown in culture. At the University of Rochester Medical Centre in the United States, Dr Don Gash and colleagues have been working with cells from a type of human tumour called neuroblastoma.

TOWN & COUNTRY BUILDING SOCIETY advertisement with interest rate table. Table includes Super 60, Super 60, Supershares, and Moneysave Cheque Account & Visa Card with various interest rates and conditions.

Cot de urged clear

Electronic signs to aid drivers

Rubber tests promise safer car tyre

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Cot death research urged as mother is cleared of blame

By Ian Smith
The Foundation for the Study of Infant Deaths last night called for immediate establishment of regional centres to investigate the causes of 1,500 medically unexplained cot deaths which occur in Britain each year.



The relieved parents, Mr and Mrs Bithell, leaving court after yesterday's inquest, and Dr Donald Whyte, pathologist.

Hard stuff knocks out the worms

By Robin Young
Unlike the Chinese, who have developed a method of making spirit by distilling an essence of worms, or the Mexicans, who flavour bottles of Mezcal with the corpulent corpses of worms, the Irish are using worms only as a convenient excuse to return to their centuries-old practice of distilling poteen.

Arab bomb trial Terrorist jailed for 25 years

An Arab terrorist leader was jailed for 25 years at the Central Criminal Court yesterday for his part in a Libyan-backed plot to mount a grenade attack on a target in the United Kingdom. Colonel Gadafi's regime and had tipped off British police who foiled the terrorist plot.

Electronic signs to aid drivers

The Government took the first steps yesterday towards a £20 million electronic signpost system for London. The Department of Transport launched a discussion document on the "Autoguide" system which has been developed at the Transport and Road Research Laboratory.

Post chief pledges letter price freeze

By Edward Townsend, Industrial Correspondent
Postal charges will be frozen for at least a year after next month's increase. Sir Ron Dearing, the Post Office chairman, said yesterday.

New station planned for City Tube link

By Rodney Cowton, Transport Correspondent
British Rail is planning changes on the London Underground rail link between Waterloo station and the City, known to thousands of commuters as "The Drain".

Crash award

Mohinder Rathour, of Stoke Newington, north London, an uninsured mini-bus driver found guilty of causing the death of four passengers by reckless driving, was ordered to pay the widow of one of his victims £75,000 damages by the High Court yesterday.

Rubber tests promise safer car tyre

Hair bleach and ant stings are set to produce a safer car tyre, thanks to a new way of improving natural rubber (Keith Hilday writes). The unlikely pair of chemicals: hydrogen peroxide and formic acid, give the kind of material the car industry has been looking for for years.

Woman killed husband in fear at move

A devoted wife killed her husband, then tried to kill herself because she was "absolutely terrified" of moving home, a judge at the Central Criminal Court was told yesterday.

Ulster surgeon retires Lifesaver in 'the troubles'

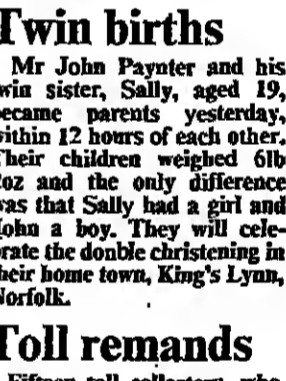
A medical decision affecting the life or death chances of its victims - together with those of road accident casualties and other emergency patients who are the staple of casualty departments elsewhere. Yesterday, he recalled his shocked disbelief when he saw the first bullet wound of the troubles in August 1969.

Thatcher says Luton right on hooligans

By David Young
The Prime Minister yesterday said that Luton Town should be reinstated into the Littlewoods Cup football competition and supported its stand against hooliganism. Mr Thatcher said the Football League should allow Luton back into the competition and that its "home fans only" scheme should be allowed to continue for an experimental period.

Portfolio Gold Prize will be spent on house

A housewife and an assistant bank manager share yesterday's Portfolio Gold prize of £4,000. Mrs Jane Locke, aged 37, from Twickenham, who has been playing the Portfolio Gold game for the past two months, said she was very excited about winning. "I am on such a high, I can't believe it," she said.



Mr Shore, who will use the money for a winter holiday.

Twin births

Mr John Paynter and his twin sister, Sally, aged 19, became parents yesterday, within 12 hours of each other. Their children weighed 6lb 2oz and the only difference was that Sally had a girl and John had a boy.

Toll remands

Fifteen toll collectors, who work on the Tamar bridge between Devon and Cornwall, were remanded until November 28 on unconditional bail when they appeared before magistrates at Plymouth yesterday.

PC appeals

The South Wales policeman jailed for six months for biting off part of a rival officer's ear during a rugby match, is to appeal against his sentence. Lawyers representing PC Richard Johnson, aged 31, of Pontypriid, Mid-Glamorgan, hope a hearing can be arranged in London next week.

Arson charge

Okech Igwe, aged 27, a student, of St Ann's Street, Westminster, was remanded in custody for three weeks at Clerkenwell Magistrates' Court yesterday, accused of setting fire to 15 parked cars in the West End, causing £40,000 damage.

Fishing death

A salmon poacher was swept to his death yesterday after becoming caught in his own nets on the river Wye at Brockwiler, Gloucestershire. Mr Terence Mansfield, aged 34, of Cornish Units, Sling, near Coleford, was a non-swimmer.

Baby charge

Jane McCandless and William Frederick Curry, a policeman from Northern Ireland, have been detained in Tenerife, Canary Islands, accused of murdering their newly-born son, police there said yesterday.

Police on bail

Seven policemen accused of assaulting football fans after a fight at a London Tube station last year, were granted unconditional bail at Marylebone court, London, yesterday.

Nude bathing

Nudists in Brighton, Sussex, will be allowed to swim naked in the town's public pool after local councillors agreed to let the British Natarism Council use it once a week.

London degrees

A further list of London University degrees will be published on Monday.

£55m plan for Covent Garden

By Gavin Bell, Arts Correspondent
The trustees of the Royal Opera House are to apply for permission to go ahead with a £55 million development in Covent Garden, central London, which will be paid for, in part, by the shops and offices it will create.

New threat of jail for hippie convoys

By Sheila Gunn, Political Staff
Groups of trespassers, such as hippie convoys, will face up to three months in jail and £1,000 fines under a new clause to the Public Order Bill tabled by the Government yesterday.

MP charged

Sir Peter Emery, aged 60, Conservative MP for Hamilton, is to appear before Tiverton magistrates next month accused of driving recklessly at Gittisham, near Honiton.

Advertisement for 'Company Wrapping Ballot' featuring various images of packaging and promotional text.

Vertical text on the far right edge of the page, including 'HOME NEWS' and '3'.

LIBERAL ASSEMBLY

Leader confronts party in rallying call for electoral credibility

Steel derides decision on defence as unthinkable

The Liberal Assembly decision against nuclear defence on Tuesday was the equivalent of putting a sign saying "nuclear-free zone" on a lamppost in Lambeth. Mr David Steel, leader of the Liberal Party, said to some shouts of "rubbish" in his assembly address, which nevertheless won a five-minute standing ovation.

The decision had made him not angry but profoundly frustrated that electoral victory for the Alliance could have been put temporarily and unnecessarily at risk, he said, to further heckling. "I am not interested in power without principles, but equally I am only faintly attracted to principles without power. Without power all our resolutions, all our idealism, all our compassion, will remain mere intention, mere hope, mere dream", he said. "We have so much to do, so much to change, great business to achieve, but we will do nothing, change nothing, achieve nothing, unless we can first gain power and then use it wisely."

In a clear rebuke to his party, he said the defence decision had disturbed him as a sign of the Liberals reverting to a habit he thought they had kicked 10 years ago: being seen sitting in a corner bur-

ishing and polishing policy rather than dealing with the real, harsh world. He had to pause in his speech for protests when he added he was also disturbed that some completely misguided people thought the assembly's task was to accentuate the few remaining points of difference with the SDP in order to strengthen his hand in negotiations with Dr David Owen. "That is a breath-taking misjudgement," he said to loud applause. "We are either in alliance or we are not. We must live and breathe alliance. It is unthinkable we enter an election with two defence and disarmament policies."

Mr Steel declared: "I, too, want intellectual consistency and integrity in our policy." He added: "Neither David Owen nor I are prepared to arrive at any election policy as a result of some botched-up bargaining, haggling process. We would not convince the country; we would not convince you; we would not even convince ourselves. We will arrive at our election by applying our common judgement to the problems which

will face the next government on taking office. "We have repeatedly stated our goals very firmly and we have them firmly in view as we do that. I am reported as being angry with the assembly. My emotion is not one of anger but of profound frustration. I want electoral victory for Liberalism and the Alliance but it may have been temporarily and unnecessarily put at risk."

The previous day a clear signal had been sent to the electorate that the Alliance was on its way again. There was overwhelming endorsement of the joint Alliance document *Partnership for Progress* and a massive vote of confidence for the democratic procedures by which they would determine their manifesto for the election, involving the policy committee, the parliamentary party, and the candidates.

Both David Owen and I are well able to move forward on all policy issues including defence on the basis of that document. That is a clear message I give to you, the SDP and the electorate."

His meeting the previous day with Dr Owen was a good meeting, confirming his belief that the bonds of the Alliance would hold. "Neither of us subscribes to the doctrine of



Mr Steel and his wife Judith after his speech (Photograph: Harry Kerr).

ment, is wholly in tune with the European ideals of this party."

He said the two MPs who had spoken against the policy resolution said a non-nuclear Europe was a final aim and their amendment was not intended to frustrate the efforts to find an effective European policy.

Earlier in the speech Mr Steel said it was a disgrace that the British economy was being manipulated to help the prospects of the Conservatives at the next election. Assets were being sold; investments depressed, consumption boosted, money being printed and taxes cut, not to help the long-term future of the economy, but to buy votes.

The Government had no strategy in areas that mattered: energy, industry, education, housing or welfare.

The Alliance would invest in education and housing, the state of which filled him with fury. Mrs Thatcher did not understand how the lethal cocktail of unemployment and squalid housing had led to an explosion of vandalism, crime and drugs in society.

An Alliance government would take four immediate steps to create both jobs and

opportunities: ● Councils would be allowed to spend the £6 billion locked in their bank accounts in capital receipts from the sale of council houses; ● More money must be made available for home improvement grants;

● A tenants' charter would be introduced to give tenants the right to run their own estates;

● A long-term plan would be launched to galvanize building activity, using partnership schemes to encourage private investment in new homes.

Abroad the Government had chosen isolation and impotence, in the EEC, the Commonwealth, Nato, and the United Nations. Instead of acting on South Africa Mrs Thatcher preferred to enjoy the remaining short-term profits of its historical and commercial links with Britain.

The Prime Minister's attitude to South Africa was the mirror image of her profound racism at home. The new visa restrictions were part of the growing racism of officialdom in Britain.

The country hungered for a change of government. The Liberal Party had advanced from the fringes of politics to the very centre of the stage.

He told the assembly: "Ten years ago when I became leader I promised to lead the party to the achievement of power for Liberalism in our generation. I made this commitment to you and I will keep it. But you made a commitment to me and I require you to keep it. My commitment is to turn hope into fact, intention into achievement, dream into reality and I will honour that commitment. Together we have made a commitment to the people of our country and they require us to keep it."

David Steel had a strategic choice in his closing speech to the assembly yesterday. He could have appeased his party and then haggled with the SDP over nuclear defence policy. Instead he preferred to confront his party with a defence policy that ought to be acceptable to the SDP.

I have no doubt that this was the correct choice. It could not cancel at a stroke Mr Steel's failings of leadership earlier in the week. But party leaders do not have the privilege of jolting backwards any more than the rest of us. Mr Steel deserves to be judged yesterday not by the disaster of Tuesday's defence debate, but by his response to that disaster. On that score I believe he ought to be given high marks.

Had he simply tried to make the best of Tuesday's decision, emphasizing the areas of agreement between his views and the resolution that was so narrowly passed, he could have earned himself some cheap applause.

He would certainly have avoided the occasional cries of "rubbish" that greeted some of his remarks - the first time that I can recall any hostile reaction to him from a Liberal conference since his first speech as leader at Llandudno 10 years ago. Had he played safe he might more easily have united the party.

But that would have been a unity that was not worth having, as he made abundantly clear. It would have been unity without the prospect of power, because it would have widened the gap with the SDP and diminished public respect. Had he taken that course, he would have been unfaithful to his fundamental political strategy - which attaches overriding importance to the Alliance - and would have given the impression of a leader in pursuit of his party.

The defence policy that he did put forward yesterday certainly represented a significant development in his thinking. It amounted to a commitment to maintain the British deterrent unless and until there are successful negotiations with the Soviet Union, even if that requires replacing Polaris.

He did not specifically say that Polaris would have to be replaced, but the clear and natural meaning of his words is that he would support replacement if Polaris comes to the end of its effective life before the satisfactory conclusion of negotiations. Obviously the details of such a policy will need to be worked out, but the general formulation offered by Mr Steel yesterday should be agreeable to David Owen and the SDP.

In confronting his party in that way Mr Steel is playing for high stakes. That is the only course that offers a reasonable chance of a share of power because if the Alliance were to crumble the Liberals would be doomed to return to the political periphery where they have been for most of the past half century.

But there should be no illusions that he will have converted all his critics with a single speech, or that it is only the memory of Mr Steel's oratory that the public will recall from this week. So there now remains a double challenge for the Liberal leadership.

Once the details of the new policy have been worked out with the SDP, the consent of the Liberal Party will have to be secured, even if that means a further bruising battle. The public will also have to be persuaded that this consent is wholehearted. Parties that have not convinced themselves are not likely to convince the electorate.

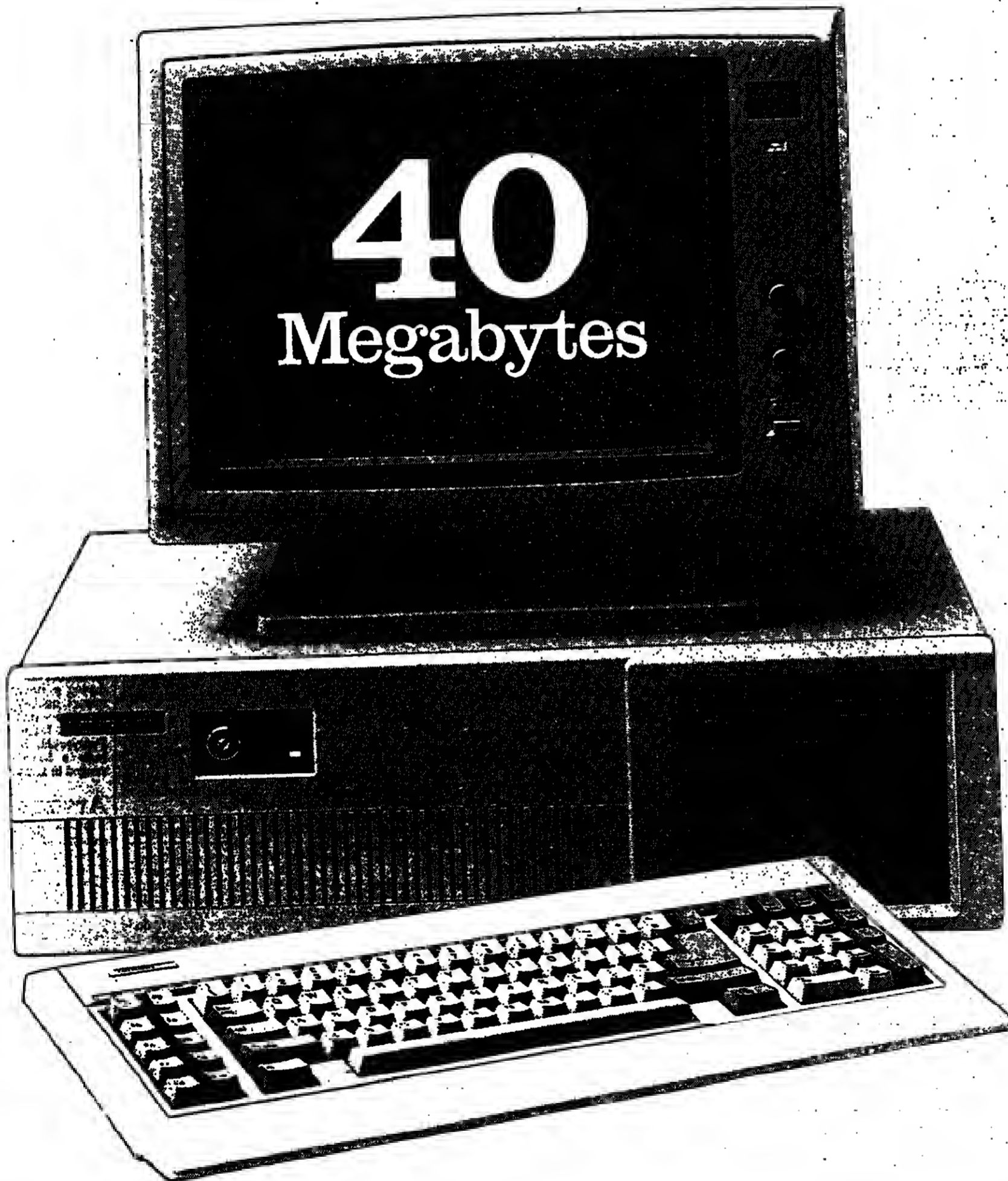
But at least Mr Steel has now offered the Liberals the prospect of rehabilitation.

Assembly report by Alan Wood, Anthony Hodges and Amanda Haigh

COMMENTARY

Geoffrey Smith

Business begins at 40



The new £2,995 Tandon PCA-40

The new PCA-40 makes a total of seven Tandon models to choose from. So wherever your business begins, Tandon has the right personal computer for you. The PCA-40 is our new flagship computer. With 40 Megabytes of fast access disk storage it has the capacity to handle the largest, most demanding tasks. And like our other models, the PCA-40 is IBM compatible. So you have immediate access to the world's largest library of business software.

Typically our computers are priced around 40% below the equivalent offering from IBM. But with the PCA-40 there is no equivalent. Because IBM doesn't offer a 40 Mbyte system. Shouldn't your business begin with a Tandon? For further information on the Tandon PCA-40, and the full Tandon range, send off the coupon or phone Tandon on: 0527 46800.

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Measures nuclear international Reactor back Russians p trial for D Eyewitness Four accused walk out of 'dirty war' trial

Basques head for polls after party split in tussle for ancient label

From Richard Wigg, Vitoria

Senor José Ardanza, Chief Minister in Spain's troubled Basque region, yesterday finally called an election for November 30 because of a split in the ruling Basque Nationalist Party (PNV).

He particularly blamed Senor Carlos Garaicoechea, his predecessor, who decided a few days ago to join the newly-launched Basque Nationalists (NV), with 10 other PNV MPs, including the Speaker of the Basque Parliament.

Nationalists out-bidding each other will be a feature of a campaign for elections that no party really wanted.

Confusion over the PNV and NV is quite intentional, neither side being willing to give up the magic of a label going back almost a century in Basque politics.

There are fears that ETA, the Basque separatist group, will seek to add its violent "word" to the campaign. People's Unity, its political wing, will also try to raise the stakes in the name of separatism.

Unlike the PNV and the Socialists, both of which lost support in the region in the June general election, People's Unity advanced to 17 per cent of the vote.

Senor Ardanza, who at best

commanded the support of only 32 MPs in the 75-member Basque Parliament, and governed only with Socialist tolerance, told the voters bluntly yesterday that promises of continued support from PNV "deserters" and the Socialists were not to be trusted. Regional elections were not due until 1988.

Opinion polls suggest that the November result could be an even split between Senor Ardanza and his NV rival.

Spain's deputy Prime Minister, Senor Alfonso Guerra, forecast that the election will not resolve "the problem of governability" in the Basque country. In saying this he cut across his Socialist Party's bid to offer the region an alternative government.

In the old Parliament the PNV had 32 MPs, the Socialists 19, People's Unity 11 (though its members never took their seats), the right-wing Popular Alliance seven, and the Basque Left six.

The question that will underlie the November poll is whether the constant feuding among moderate Basque politicians has achieved an ETA goal by making the region ungovernable.

This is a question which

must also worry the Madrid Government, despite its pre-occupation with terrorism.

True to their centralist traditions, the Socialists under Senor Felipe González, the Prime Minister, have failed the Basque country in not living up to commitments to settle full autonomous powers on the moderates in Vitoria, the seat of the regional government.

The haggling is still going on over the finances of the devolution process, despite a promise to settle the issue by the end of last year.

For the PNV, Spain's second oldest political party, founded in 1895, what has happened is little short of a tragedy.

After withstanding the long night of Francoism and the ETA terrorism, the party has shown itself incapable in practice of giving Basques the home rule it advocated for so long as a panacea.

Failures by Vitoria and Madrid have been exploited eagerly by People's Unity, which dismissed the 1979 Statute of Guernica as nothing but sham autonomy, and boycotted the Basque Parliament in the name of a vague separatism.

Duke calls for fresh philosophy on wildlife

From Peter Nichols, Rome

The twenty-fifth anniversary meeting of the World Wildlife Fund in Assisi heard an appeal yesterday from the Duke of Edinburgh for a new guiding philosophy to convince the hearts as well as the minds of the people of the rightness of its cause.

To meet this need, the Fund has invited to this meeting representatives of the Christian, Muslim, Buddhist, Hindu and Jewish religions, in an unprecedented initiative aimed at involving them directly in the conservationist cause.

The Duke, who is international chairman of the Fund, said that each of these religions representatives would be asked on Monday to address their followers on how they saw the task of safeguarding nature.

He had said earlier that once the Fund was a voice in the desert, but results showed that the voice had been heeded.

In its 25 years it had backed 4,200 projects in 130 countries for a total expenditure of \$110 million (£77 million). The Fund now has more than a million members drawn from 23 countries and the Duke announced the enrolment of a new member: President Cossiga of Italy.



The Duke of Edinburgh at the World Wildlife Fund meeting attended by representatives of the major religions.

Honduran hostility growing 'New Nicaragua' in Contra hands

From Philip Jacobson, Tegucigalpa

As the inhabitants of the war-torn eastern frontier zone of Honduras brace themselves for resumption of heavy fighting between Contra forces based there and the Sandinista regime in Nicaragua, there is evidence of growing hostility to the presence of the US-backed rebel troops.

According to reports from the region, the Contras have taken over a broad swathe of Honduran territory, renaming it "New Nicaragua".

Within this area, covering 200 square miles, Contra forces are said to exert almost total authority, restricting the movement of local people.

There are complaints that the growing shortage of food in the Contra-controlled zones has forced large numbers of Hondurans to move out, becoming refugees to their own country.

"We are under occupation by a foreign army," says one angry resident of the town of Danli, some 60 miles from the Honduran capital.

Not far away, in El Paraiso, the leader of the local coffee workers, Senor Antonio Eraso, says that Hondurans there live in constant fear of Sandinista attacks on the rebel concentrations. The local Contra commander (a self-styled general) is, says Senor Eraso, a "little Napoleon" who ignores completely the hardships caused to people by the presence of his men.

The US Embassy in Tegucigalpa privately dismisses suggestions that the Contras are alienating public opinion by their conduct in the enclaves they occupy as left-wing propaganda. But the Honduran authorities are acutely aware of the challenge to national sovereignty posed by these "liberated" zones.

President José Azcona's ad-

ministration, which came to power only last summer, was first to admit that the rebels had established large training bases on Honduran soil. Since then reports that Government troops are sometimes barred from Contra territory have not always been denied convincingly.

Sources close to the Honduran armed forces claim that, for all the country's close military links with the US, the situation in the eastern region is causing considerable aggravation, especially among the younger officers, some of whom are American trained.

On a wider front, despite recent opinion polls showing strong support for the Reagan Administration's hard line against the Sandinistas, a broad strain of popular opposition appears to be emerging among Hondurans alarmed at the prospect of becoming dragged into a major conflict.

The impact of Contra activities in the vital coffee-growing regions where they are concentrated can only add to the severe economic problems facing Honduras.

The same would apply to the widely anticipated renewal of fighting on the eastern border with the approach of the dry season and the imminent availability of massive new US military aid for the Contras.



Briton gets 5 years for helping rebels

From Martha Honey, Alajuela, Costa Rica

Two mercenaries, British and French, have been sentenced to five years in jail here for having helped Nicaraguan Contras to operate illegally out of Costa Rica.

It is the first time that foreigners have been convicted for fighting with the Nicaraguan rebel forces.

Judge Carlos Villalobos found Peter Gibbery, aged 25, of Solihull, West Midlands, and Claude Chaudard, aged 31, guilty of carrying out hostile acts against a neighbouring state.

A Costa Rican and eight Nicaraguan Contras were also jailed. Two Nicaraguans, said to be leaders of the rebel band which was part of the US-backed Nicaraguan Democratic Force (FDN), were sentenced to 5½ years, and the other nine to five years each.

The harshness of the sentence stunned the accused and those in court, as the Government prosecutor had recommended that the foreigners simply be expelled from the country.

Gibbery and Chaudard were separated from the others and driven to a jail in Alajuela, some 15 miles outside the Costa Rican capital, San José.

Gibbery said that he was disappointed by the sentence and planned to appeal. He had been anticipating that he would be deported and allowed to return to England.

Observers interpret the stiff

sentences as indications of the Costa Rica Government's determination to enforce its policy of neutrality and to stop illegal Contra activities.

The prosecutor quoted from President Oscar Arias' speech to the United Nations last week in which he vowed that armed groups would not be allowed to operate from Costa Rican territory.

During the day-long trial three police officials presented evidence that the Contra group, which was arrested in April 1985 in a camp six miles from the Nicaraguan border, had carried out attacks against Sandinista positions and was planning to make another foray into Nicaragua within the next few days.

One security officer described the five mercenaries as "specialist in counter-guerrilla warfare".

The 11 on trial were arrested with three other foreigners, two American and another Englishman, Mr John Davies, aged 26, also of Solihull, who left Costa Rica before the trial.

Over the years scores of foreigners, mainly Americans, have been involved with the Contras.

Two captured Cuban Americans are awaiting trial in Managua. An undisclosed number have been killed in the war and several dozen others have been expelled from Costa Rica and Honduras.

Police suspect murder bid as Aids man dies

From Ivor Davis, Los Angeles

An Aids patient who survived a near-fatal dose of insulin prescribed for him by a caller who pretended to be the man's doctor has died of complications.

Santa Monica detectives say, however, that they will continue to investigate the case as an attempted murder, following the death on Wednesday afternoon at St John's Hospital, Santa Monica, of Mr Edward Lebowitz, aged 48.

Mr Lebowitz, of Los Angeles, went into a coma and was placed on the critical list before doctors realized what had been done.

Czechoslovak ties fellow guard to defect

From Richard Bassett, Vienna

A Czechoslovak soldier tied up one of his fellow guards patrolling the frontier with Austria and defected to the west yesterday.

The soldier, who has been identified by the Austrian Interior Ministry only as Simon B, forced his compatriot to disarm and smash his radio. Then, at pistol-point, he handcuffed and marched the man to a tree where, after tying him up, he escaped across the frontier near Retz, in lower Austria.

Last month another border guard fled to Austria while on patrol.

World Bridge British pairs start well

From A Bridge Correspondent, Miami Beach

The British pairs made an excellent start in the first session of the pairs championship being played here.

Andy Robson and Glyn Liggins were placed 17th in a select field of 48 pairs.

The current women's world team champions, Sally Horton and Sandra Landy, were in second place, almost a board behind the new formation of the world champion, Jacqui Mitchell, and Armaida Kears, which promises a real threat, having led the field in the semi-finals. Stamina is likely to prove decisive in both

events.

Most finalists had already played 12 days of continuous bridge before the final, and are now at the table for two sessions of 5½ hours each day.

At the end of the second open session Paul Marston and Stephen Burgess of Australia led, while Robson and Liggins dropped to 33rd. The US had five pairs in the 10.

In the open series Mitchell and Kears strengthened their hold while Landy and Horton slipped to fifth, almost four boards behind the leaders.

'Guardia escapes at pistol by Beirut

Mac

Part 2



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'If you move, I kill you', blindfold British journalist warned

'Guardian' man escapes kidnap at pistol point by Beirut gang

From Robert Fisk, Beirut

It was, as David Hirst said afterwards, a bit of bad luck. First, there was the puncture on the Beirut front line. Then there were his Druze escorts, who went off to help his driver mend the tyre.

And then there were the three armed men who just happened to catch sight of "a nice juicy foreigner".

It was then that *The Guardian's* man in Lebanon found out what it was like to be a kidnap victim.

Shouting and struggling, tearing off his blindfold as the gunmen drove him through the crowded streets at pistol point, Mr Hirst eventually escaped from his captors in the southern suburbs of Beirut, running down an alleyway and climbing into a passing taxi which drove him to freedom.

He arrived at the news agency office where he works with no more than a few scratches and a thirst for a well-chilled German beer.

Mr Hirst is the doyen of west Beirut's very press corps, one of the top few western journalists who has stayed on in a city where merely to be a foreigner is to be a target.

A quiet, charming man of 50 with a disarming shyness that hides a brilliant analytical mind, he was, on the face of it, an unlikely kidnap victim. But he did what so few foreigners do when they are abducted. He fought back.

He had left his home in the suburb of Ein el-Mreisse just after dawn to travel by taxi to the Christian sector of Beirut.

For the last part of his journey he was escorted by a separate car by Druze militiamen. "As we were approaching the line at Mreijeh, a BMW passed us going in the other direction with three characters inside and I remember thinking that I didn't like the look of them," Mr Hirst said.

"When we had the flat tyre at Mreijeh, the escorts went to help my driver. That was when the armed elements came up. It was the same people I had seen earlier."

"They claimed they were from Amal Security, but in fact they were just *zanan* (thugs). They said they wanted my papers and passport and then they pushed me into their BMW. I was forced into the back seat with a man beside me who put a gun to my head. He kept saying, 'If you move, I kill you'."

The car drove away, as Mr Hirst put it delicately, "at the usual Beirut speed" and for ten minutes the gunmen and their potential victim headed into the Shia Muslim suburbs.

"I shouted," he said continued, "I tried to make as much noise as I could, especially when the car stopped or slowed down at traffic jams. The gunman in the back had my head pushed down and put a blindfold on me, but I managed to get it off after half a minute."

"Eventually we came to a deserted place, half town and half country, in the southern suburbs."

"They wanted to put me into this concrete hovel house and I started shouting and screaming to alert people."

In desperation, he kicked the nearest kidnapper. "I struggled and managed to detach myself and ran away. Maybe they were frightened, but they didn't shoot at me. I ran down this alleyway and at the other end was a main road with lots of people. I caught a taxi there and the gunmen didn't follow me."

With neither his passport nor his Press credentials, all of which had been taken by the gunmen, he arrived back safely in the Hamra commercial district of west Beirut, where officials of the Amal militia, highly displeased that their name had been taken in vain by the gunmen, turned up to ask *The Guardian* correspondent for a description of his tormentors.

The author of a highly-acclaimed book on the Middle East conflict, *The Gun and the Olive Branch*, Mr Hirst was thus left with the sort of first-person story that his few colleagues in Beirut were quite happy not to have themselves.



Mr David Hirst, The Guardian correspondent in Beirut, explaining how he fled from three armed men who abducted him to the Shia Muslim suburbs after his car had a flat tyre.

Mugabe to introduce socialist penal laws

From A Correspondent Harare

Mr Robert Mugabe, the Zimbabwe Prime Minister, plans to introduce a new socialist system of penal law to replace the centuries-old Roman-Dutch framework it shares with neighbouring South Africa.

He told prison officers at a passing out parade on Thursday that his Government was committed to severing all links with the "abominable and abhorrent system of apartheid as soon as possible".

He said: "All our laws should be formulated in such a manner as would facilitate the restructuring of our society in order to construct a socialist state."

The new Zimbabwean legal system would replace punishment with rehabilitation and re-orientation of criminals and other social deviants.

Dr Eddison Zvobgo, the Minister of Justice, Legal and Parliamentary Affairs, this week defended the Zimbabwe Government's actions in ignoring certain judgments by the High Court and the Supreme Court.

He told white senators, who had complained that the integrity of the judiciary was being undermined, that it was "an impossible dream" for the State to abide by all judgments.

"The present state of the law is that where any action is instituted against the State, and the applicant succeeds, the State may, not shall, abide by the judgement," claimed Dr Zvobgo.

Mr Justice Enoch Dum-butshe, Chief Justice of Zimbabwe, warned of a possible "slide into chaos" if courts could not get their rulings enforced, after two white Customs officers were re-detained in May, hours after having been freed by the Supreme Court, on allegations of spying for South Africa.

Nato allies pose questions about US missile offer

From Frederick Bonnart, Brussels

Serious questions are being asked at Nato about the American proposals of Geneva for reducing intermediate range nuclear forces (INF) — the Soviet SS20 and the American Pershing 2 and cruise missiles.

The European allies are concerned by two main aspects. One is the limit any agreement will impose on the Soviet modernized shorter-range missile force, which has been built as a further response to the introduction of US missiles in Europe.

The other is more fundamental: how can the political coupling of North America and Europe be maintained once the missiles are withdrawn?

Any agreement must fulfil three basic conditions: it must be "global", it must not include "third-party systems", and it must impose constraints on short-range nuclear forces.

The global aspect has been covered by including those Soviet SS20s stationed in Asia and American Pershing 2 and cruise missiles in North America. Under the proposal these should be limited to 100 warheads each. However, according to the official, this raises more questions. Negotiators must be realistic and envisage possible contraventions.

What would happen, for example, if, in a period of tension, the Soviet Union decided to move its Asian missiles into the western Soviet Union, which would be physically easy to do? No equivalent response would be available to the Alliance: it would be politically almost impossible to move the withdrawn Pershing 2 and cruise missiles back into Europe.

The proposal has also made clear that British and French nuclear forces, the third parties to this bilateral agreement, are not to be considered, though the Soviet side has not yet withdrawn its stipulation that they must be frozen at their present levels. France blames on terrorists from neighbouring Ghana.

Ghana denies the accusation.

"The force we have sent is relatively small, but it is possible to adapt it if the Togo government modifies its demand," one official said.

Engineer killed in Sri Lanka

From Vijitha Yapa Colombo

There have been conflicting reports about the killing on Thursday night of a German engineer attached to the Deutsche Welle radio relay station near Trincomalee in Sri Lanka's eastern province.

First reports said that Mr Ulrich Heberling had been killed by the guerrilla Liberation Tigers of Tamil Eelam, but a Government communiqué later said he was caught in a crossfire between Tamil terrorists and the Army at a partly demolished bridge.

The bridge was destroyed by guerrillas last year and it was the German team's practice to travel by car to the bridge, walk across, and board a car on the other side to take them to the radio station.

The Government said that the Germans were walking across the bridge when there was shooting between the terrorists and the Army. A splinter from a mortar shell caused Mr Heberling severe brain damage.

Canberra asks how far an MP dare go

From Stephen Taylor, Sydney

When does the acerbity of parliamentary debate exceed the limits of acceptability? Canberra politicians have had cause to discuss the issue among themselves this week.

Mr Paul Keating, the Treasurer, has a line in invective which sometimes causes even his own party to flinch.

Among the milder terms of abuse he has employed have been his description of the Opposition as "stunned mulets", and "boxheads", and his dismissal of one MP as a "hare-brained hillbilly".

When provoked, however, he has been known to refer to the Liberals as "sleazebags", "criminal intellectuals", "per-fumed gigolos", and "pigs", and to one individual as a "gutless spiv" and another as a "piece of criminal garbage".

He described one Liberal MP who really aroused his ire, by alluding in Parliament to a past love affair, as "a stupid, foul-mouthed grub".

It may not be the sort of language normally associated with a man of renowned taste, but Mr Keating is a graduate of the toughest school in Australian politics: the New South Wales Labor Party.

His language was under scrutiny because of an episode in which Mr John Howard became the first leader of the Opposition to be suspended from Parliament since Robert Menzies in 1949.

Mr Howard had refused to withdraw an accusation that Mr Keating had told "a parliamentary lie" in a debate on allegations that the Treasurer had abused his travel entitlement. He said that both Mr Keating and Mr Bob Hawke, the Prime Minister, had used the term in the past.

"Mr Keating has an appalling record as a mud-slinger," Mr Howard said.

The Opposition leader took his place in the House again on Thursday, unrepentant over the 24-hour suspension. Indeed, he seemed quite cheerful, reminding all and sundry that six months after Menzies's suspension he became Prime Minister.

French troops answer Togo appeal

Paris (Reuter) — About 250 French troops arrived in Togo yesterday to back President Gnassingbe Eyadema after an apparent attempt to overthrow him on Tuesday.

The soldiers, including paratroopers, were all drawn from French bases in Africa.

France said on Thursday that it would send a small force of soldiers and aircraft to its former colony in West Africa.

Officials say the force is intended to prevent foreign interference in the unrest, which the Togo Government

THE SUNDAY TIMES ALL THAT'S BEST IN BRITISH JOURNALISM

MacGREGOR'S FIGHT

Part 2 'How Scargill fell into my trap'



THE MAKING OF OTELLO
by Franco Zeffirelli

● Tomorrow, in The Sunday Times, the Italian film director describes the joys and difficulties encountered during the making of his film and how his plans nearly came to nothing

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LOOK AT YOUR BEST

THE SUNDAY TIMES MAGAZINE

SPORTS DIARY Simon Barnes

The tie of real trauma

The passion and hysteria generated by the tied Test in India this week was nothing compared to the tied Test at Brisbane in 1950...

Winning Wish

Princess Anne is preparing to get one up on her brother by riding a winner under National Hunt rules...

What, they are asking north of Watford, is the difference between Manchester United (or Aston Villa) and a triangle? Answer: A triangle's got three points.

Joy confined

The answer to England's football problems would seem to be holding matches without spectators in Italy without players...

Weather eye

Garrards, makers of the original America's Cup 138 years ago, have just made a replica for Eileen Bond...

Bawled out

This has been the year of Boycott and Botham. Like all other years, I am reminded of the story of Boycott in his fascinating captivity of England during the 1977-78 tour of New Zealand...

Edmonds continued: "So Botham went in out of order to hurry things along. His version of what happened is that he played out to short extra cover and called for a run that wasn't there..."

Raymond Keene analyses Kasparov's world title disintegration

Too late to pick up the pieces?

Leinograd. One week ago Gary Kasparov's triumph in the world championship seemed assured...



Kasparov: an original and stunning strategy



Kasparov: a case of too much too soon

Kasparov is making his moves with rapid self-confidence, establishing crushing positions in the opening stages of the game...

scribe such a setback to an understandable feeling of euphoria at the imminent overall match victory...

had used up too much time, and in the rush at the close of the first session of play, a definite win swung right round to a probable loss...

Gitta Sereny on the war crimes trial that shows signs of turning sour

John Demjanjuk, the 67-year-old alleged Nazi war criminal, will be formally exchanged in Israel on Monday with the murder in 1942-43 of 900,000 people...

Why Israel is facing an Ivan dilemma

The Israelis are already showing prudence. Determined to avoid an Eichmann-type show trial, they have moved the venue to a smallish court in Jerusalem...



Demjanjuk leaving an extradition hearing at Dayton, Ohio. Thousands of fellow new Americans are rallying to his defence

cal reasons; technically, however, they did volunteer. Strictly speaking this could have disqualified them for immigration to the United States...

Philip Howard

Maths is magic. Plato considered it the highest form of human thought, and had written over the entrance to the Academy: "Let no ignorant of mathematics enter here..."

Defence: more a liaison than a marriage

Britain nevertheless came out when he added that this would be possible only "provided that our two peoples overcome reflexes inherited from a long tradition of rivalry..."

Peter Brimelow

The romantic rationalist

It is a story Mrs Branden is peculiarly qualified to tell. Her former husband, Nathaniel, was for many years the organizer of a systematic, almost cult-like effort to propagate Rand's philosophy of "Objectivism"...

Summing up a pseudo science

variety, and often inaccurate. But because it is expressed mathematically, we non-mathematicians think it must be more reliable and more important than some other form of junk...



Chris Whorrell

Every minute dies a man. Every minute one is born. Charles Babbage, who occupied the Lucasian chair of mathematics at Cambridge, wrote pointing out that the world's population was in fact increasing...

September 17-October 3, 1986

Painting the map claret

As the vendage approaches they are praying for sun in the Médoc — and none more fervently than the British, whose interest in claret dates back a thousand years. Jane MacQuitty meets the families who took root there

There are still some parts of a foreign land that are for ever England. These parts are now worth more than 50 times as much as the best British agricultural countryside. But then, Bordeaux always has been big business. Today the region's 860 million vines are groaning with grapes that, from October 6 onwards, will be turned into more than five million hectolitres of purple gold.

Not so long ago we would have owned the whole lot. It was in 1152 that the 30-year-old Eleanor, of Aquitaine bounteously gave Bordeaux to the British when she married Henry II. Three centuries and 10 English kings later, we lost Bordeaux back to the French but since then, apart from the odd gap, Britain has continued to control the area's lucrative wine trade by buying, making and trading in claret.

Today it is difficult to calculate exactly the value of the British share of Bordeaux's wine trade. We know, however, that there are about 50 British people actively involved, from the smallest *courtier en vins* (wine broker) to the grandest *premier grand cru classé* proprietor. And we know that Bordeaux's 210,000 acres of quality red and white *appellation contrôlée* vines produce some 650 million bottles of wine worth £1.3 billion annually.

Land prices tell the story. Just one hectare of

prime vineyard land in Pomerol, the tiny and much-prized right bank commune, recently fetched 3 million francs. And in 1983 the somewhat rundown St Julien third-growth Château Lagrange was bought by Suntory, the giant Japanese spirit empire, for 54 million francs.

Bordeaux, as all wine experts concede, is the most important fine wine-producing region in the world, and its 21,000 growers consistently still make more great wines per acre than any other country. This is despite increasing competition in the shape of some stylish wines from California and Australia.

Little of the great wealth of Bordeaux is ever in view. True, the imposing towers, turrets and Palladian porticoes of the grandest châteaux are occasionally glimpsed from the road. But it is the great grey Gironde, with its green regimented rows of vines, marching in endless lines along its gravel spit banks, that dominates the scenery.

Driving through the dreary little town of Pauillac at 8pm on a Friday, without a soul to be seen, it is hard to believe that this is claret country. But in nine days time the first mechanical harvester will be out at dawn, trundling along the rows, and the villagers, with secateurs and baskets, will be bent double to bring in the grapes. The Médoc will have come to life.



Alan Hare and his wife Jill at work on the British-owned Chateau Latour estate: "One always remembers that the Kings of England were drinking claret before the Kings of France"



Nathiel: lucrative business

JOHNSTON ET FILS Nathiel Johnston

British Bordeaux life has as much to do with being a *courtier* (broker) or *négociant* (merchant) as with owning a chateau. Amiable Nathiel Johnston, whose company was founded in 1734, is known affectionately as Nathie by the English wine trade. He is the eighth generation of his family to run the firm.

Nathie's broad knowledge, polite manners, Prince of Wales check suits and endearing French accent has wooed many an important British buyer to "Le Quai des Chartrons" office in Bordeaux. The exterior, trading of wine and drains, is as sleazy and dilapidated as everywhere else on this quayside but, inside, Nathie's hibiscus plants and 14-year-old cairn terrier Judith both thrive, as he and his two sons Denis and Archibald get on with their lucrative buying and selling.

The Anglo-Irish Johnston family is probably more French now than anything else but Nathie remembers fondly that his grandmother, Georgina White, never bothered to learn French; and his family tree is peppered with British names. His youngest son, indeed, is called Ivanhoe.

D'ANGLUDET Peter Sichel

Peter Sichel is our most important man in Bordeaux. Son of Allan Sichel, a noted wine merchant and author, Peter writes what are generally agreed to be the most expert vintage reports in the Médoc and is head of Maison Sichel, a powerful *négociant* business that trades partly under the name of Gaillarde and owns a third of the delectable Château Palmer.

Peter and his down-to-earth wife Diana, who breeds Welsh ponies, live at Château d'Angludet — a highly-regarded *cru exceptionnel*. Peter bought the chateau in 1961. "It was like when my father bought Palmer in '38, they were practically giving these places away. A lot of people walked away after the '56 frosts and didn't bother to replant." Since then Peter and Diana have created the

CHATEAU MEAUME Alan Johnson-Hill

Alan and Sue Johnson-Hill fulfilled many an English couple's most cherished dream of owning and living in a French chateau when they moved to Méaume, a stylish Bordeaux Supérieur property. Méaume is an attractive rambling chateau prettily kitted out in the best Peter Jones patterns and dozens of china frogs. It is much suited to this vivacious, entertaining and enthusiastic couple who affectionately refer to each other as "fish".

Alan Johnson-Hill got the wine bug after spending a weekend at a Provençal wine estate. As well as his 25 hectares of predominantly Merlot vines, he now owns 25 per cent of Majestic Wine Warehouses. This mostly self-taught wine man spends more than four months every year working and making the wine at Méaume as does his wife Sue, who copes with the administration and the bookkeeping.

The quality of Méaume claret has improved dramatically under his *regis doc*, in part, to considerable help from local oenologists. As



Sue and Alan Johnson-Hill: "Special welcome for the British"

Johnson-Hill says: "A British person has a special welcome to this area. If we had been Parisiens moving into the French countryside we would not have had the same reception."

He is under no illusions as to the money being made by his competitors. "It costs the same money to make an '84 as an '82. Profit tripled with the '82s. It's enormous, the sums of money these big chateaux are making. In a good year

they are getting on for up to 200 francs profit a bottle." Locking up the chateau late at night, he takes one last look at the garden and vineyard. "This is why we do it. Just smell that air, listen to the cicadas: it's a fabulous night. Forget about the wine. The temperature was only 9°C [41°F] in London this morning. One would be mad to live anywhere else." Purple gold comes as a welcome bonus.

CHATEAU LATOUR Alan Hare

One property that, surprisingly perhaps, will not be entertaining visitors during the vintage but concentrating instead on the laborious business of harvesting its Cabernet Sauvignon vines, is the mighty first-growth Chateau Latour. The celebrated pepper-pot tower and small doll's house-like chateau, has been 52 per cent owned by the Pearson Group since 1963, with Harveys of Bristol taking 25 per cent.

Pearson's man in Bordeaux is now the Hon Alan Hare, previously with the *Financial Times*, who, together with his bubbly wife Jill, obviously takes his recently acquired responsibilities seriously, right down to wearing a workman-like blue checked shirt and jeans (albeit well-pressed and with a tie) about the property. He is quick to point out that the Colefax and Fowler wall-papers and patterns that bedeck the bijou chateau are the only obviously English things in the place. Although I did just spot Floris Rose Geranium scent in a cloakroom. Alan Hare states firmly: "As foreign owners we don't want

to intrude on the traditions of the place, of which we are very proud." This did not stop the Pearson Group from ripping out the ancient wooden *caves* (or vats) and replacing them with shining, revolutionary, easy-to-work stainless steel just in time for the '64 vintage. This was a subject of much controversy at the time, with the Médocais accusing Latour of turning their *cuvée* into a milk parlour.

As it turned out, the 1964 Latour, picked early before the heavy rains that dashed so many other important Médoc chateaux's prospects that year, was hugely successful and quickly established the reputation of the new regime. Or, as Alan Hare politely puts it: "Philippe de Rothschild [from Mouton Rothschild, a *premier grand cru classé* competitor] is a terrible tease and is inclined to serve one's wine with onions. My counter tease was to serve him Latour '64 with the beef and his own with the cheese."

The Médoc, as the Bordelais often point out, is a friendly place, especially to the British, but competitiveness between properties is keen and, among the French, family feuds are commonplace. Latour, rises effortlessly above that kind of carry-on. "One always remembers that the Kings of England were drinking claret before the Kings of France".



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Anthony Barton tests the grapes: "Here I feel perfectly at home, but not a Médocain"

LEOVILLE BARTON Anthony Barton

The Union Jack flies over several chateaux at vintage time in the Médoc but none with such an ancient lineage as Langoa Barton, bought by Hugh Barton in 1821.

The distinguished Rosalind Barton, much loved by both the British and the Bordelais, presided over Langoa and Léoville Barton until his death last year, aged 83. He lived very simply at the charmingly proportioned Langoa, despite its considerable prosperity in

D'ANGLUDET Peter Sichel

Like everyone else, the Sichels will not forget the boom and bust years of Bordeaux's past. "During the mid-1970s crash, we opened a stall in Cantenac to sell wine to passers-by because things were that rough". But life is good in Bordeaux now, due to a string of good bumper crop vintages including the excellent '81s and '83s, the reasonable '85s and the superb '82s.

New chais are mushrooming everywhere. As Peter Sichel puts it: "Everybody's building their pyramids up and down the Médoc."

recent years and caused a stir by marrying Phyllis, an Englishwoman, late in life. She was described by one Bordelais as being "very Beauchamp Place", and did not endear herself to local people by drinking Guinness at smart luncheons.

Ronald's nephew is Anthony Barton, handsome, capable, well-connected and the godfather to Lady Sarah Armstrong-Jones. He runs the estate ably assisted by his daughter Lilian Sartorius. Horses, cats and dogs abound here, as they do everywhere in Bordeaux. An eighth generation Barton, Anthony, like his Uncle Ronald, speaks impeccable French but says that "basically I'm used to being a foreigner everywhere. Here I feel perfectly at home but I'm not a Médocain."

SATURDAY

A star is reborn: Trevor Howard turns 70, and the tributes finally flow in — page 18

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The Archers

Last Saturday's picture of Grace, the character from *The Archers*, was in fact Pamela Mant, the actress who played Christine. Grace was played by Ysanne Churchman.

Only one decaffeinated coffee tastes as good as Nescafé Gold Blend.



"Nescafé" and "Gold Blend" are registered trade marks to designate Nestlé's instant coffee.

ter Brimelow
romantic
tionalist

TRAVEL 2.

Shona Crawford Poole lands a salmon on Royal Deeside

Scottish mist and manners

The memory of a fisherman standing up to his waist in a bank of wild blue lupins and casting a line against the sun is one of those frozen moments that make travelling worth the trouble of leaving home. That was when the sun came out. In the morning it had rained with such Scottish resolution that I was grateful for the drying power of the fishing hut's blazing fire and the warmth of the customary tot.

My persistence in the face of foul weather was rewarded by more than a few late afternoon sunbeams. From the lower Birkenhead pool of the Knappaeh beat of the River Dee below Balochry I landed my first salmon to the accompaniment of good advice roared from the opposite bank. If there was more luck than judgment involved, no one saw fit to say so. There is an awful lot to be said for old-fashioned good manners.

It is only a 40-minute hop from Heathrow to Aberdeen. An hour's drive goes right to the heart of Deeside where time passes at a snail, steadier pace with every mile from the airport.

It would be no surprise in Ballater to see people wearing the clothes our grandparents wore when young. Visitors are as likely to wear kilts as jogging pants, and the shops look in danger of keeling into the streets under the weight of heraldic bestiary in the royal warrants over the doors. There are Aberdeen buteries



Rushing river: the old bridge over the Dee near Balmoral

fresh from the baker on the breakfast tables, and hand-knit stockings and fishing permits from the tackle shop. Pamphlets on distillery visits, golf and gliding are dispensed from the station, now disused. The railway lines have gone for scrap and their path is designated a walking trail.

There are castle trails too. Balmoral is not far priver from Ballater but I felt no urge to see it "in person". As the subject of the biggest jigsaw I have ever foished, its outline seemed familiar enough to miss in a weekend visit.

The names on the 1:25000 Ordnance Survey map make evocative reading. Through a land littered with boulders and grouse butts run streams called Ballochbui Burn, and Ahi na Caillich.

Craigendarroch, which translates as hill of oaks, rises above Ballater. Here the Keillers, of marmalade fame, built a country house looking down on the Dee. Like many a country house it is now a hotel and scattered through the oak-are expensive fitted timeshare cottages. Attached to the hotel is a new restaurant, bar and sports complex, and the whole development is called Craigendarroch Hotel and Country Club.

The development is a break with tradition in these parts. And when the bar promised for the hotel guests spares them suited to the sound of Muzak in the club next door, the hotel will be very pleasant indeed. Its chef, Bill Gibb, is Scottish Chef of the Year.

TRAVEL NOTES

British Airways (01-897 4000) flies London to Aberdeen from £80 Apex return. The full economy fare is £154 return.

Europcar (central reservations 01-950 5050) offers weekend rates from £39.95 for hire of a Group A car from noon on Friday to 10am on Monday inclusive of insurance and VAT, with unlimited mileage. Fuel and personal accident insurance are extra. An estate car on the same terms costs £82.95. Craigendarroch Hotel and Country Club, Braemar Road,



Ballater, Royal Deeside AB3 5XA (0338-55858) offers a full programme of autumn, winter, Christmas and New Year breaks. Mini-breaks (2-3 nights minimum) cost £42 per

person, per night inclusive of full Scottish breakfast and an allowance of £12.50 towards dinner. Basic rates run from £80 to £105 for a double room per night inclusive of breakfast. The hotel can arrange fishing, golf and many other activities for visitors. I caught my salmon under the auspices of Macspott House, Aboyne, Aberdeenshire (0338 2886). The company also offers individual tours of Royal Deeside and the Eastern Highlands of Scotland with accommodation in privately owned castles and country houses.

OUT AND ABOUT
Winchester's perfect legacy

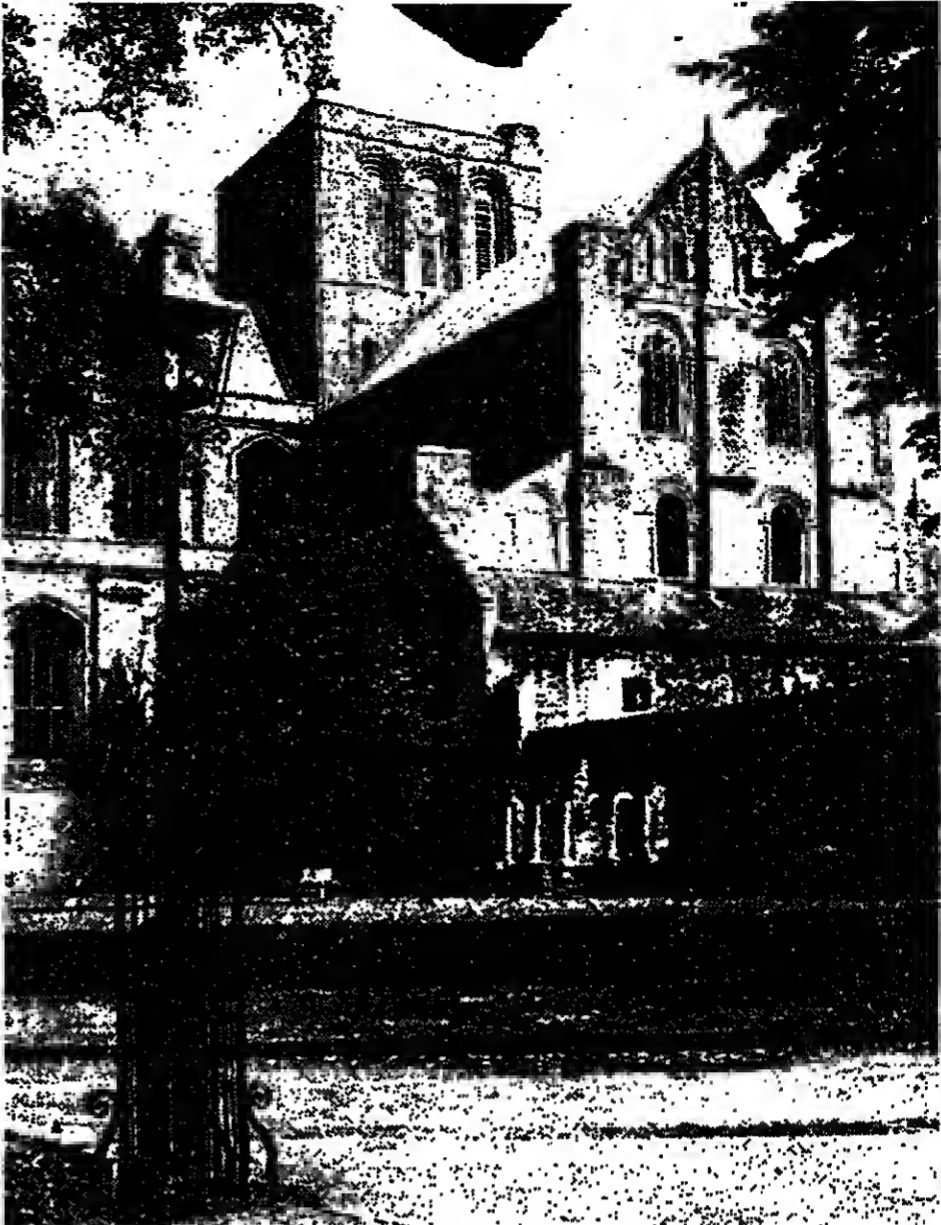
The remarkable cathedral is just the first of many historic delights, says Nigel Andrew

That corner of heaven reserved for the backward-looking middle classes must surely include these amenities: branches of Laura Ashley and Clothkits, a good second-hand bookshop, two ancient pubs — one large, one small — and, across a wide green, the welcoming doors of a first-rate cathedral. This nexus of felicitities exists on earth. I am happy to report, at the north-west approach to Winchester Cathedral.

Like much else in this ancient and unspoilt city, it seems almost too good to be true. No wonder people are queuing up to live in Winchester and property prices as any estate agent's window will tell you — are sky-high. Winchester has never had to dirty its hands with industry, and has distanced itself even from commerce. It was the effective capital of England under Alfred the Great, has always been an important administrative centre and seat of justice and, for 600 years, has been home to one of our great public schools. Little has disrupted its long history of settled prosperity, and in recent decades the forces which have ripped the heart out of many a fine old town have been triumphantly resisted.

Winchester is not, for all its historic riches, an old-world Disneyland, existing purely to service tourists — which is more than can be said for some other jewels in the "heritage" crown. It wears its history lightly, inviting a leisurely inspection.

Even the cathedral is not overwhelming — though it ought to be, apart from anything else, it is the longest medieval cathedral in Europe. But its siting is special. Built on a low crag, with no spire to top its ratherumpy Norman tower, it falls to dominate its surroundings. From the outside you can't even get a complete view of that immensely long nave: there are too many trees in the way. Besides, the exterior doesn't have enough vertical emphasis to cut a real dash.



Proportional representation: the exterior of the Cathedral (left) hides the architectural majesty of the transept (above) and the Beaufort chapel (below)



It is only when you step inside that things begin to take shape. You are invited to deposit a "gift" of "at least 75p" in one of two huge collecting boxes placed where you cannot possibly ignore them. Then you are greeted by a lady in a red robe and handed a leaflet, which includes a good outline of the Christian faith. "Please find a seat and read this," it invites optimistically.

At this point, the astonishing length of the cathedral makes itself felt, as you gaze along the lofty nave. Actually, it isn't too lofty as these things go — a mere 78 feet — and that helps accentuate the effect of vast length. The nave was originally Norman, but has been remodelled in an airy perpendicular style and given a lovely lierne vault — a considerable improvement. The transepts alone remain chunkily Norman.

The original tower fell down in 1107 — supposedly because the "heretic" King William Rufus had been buried under it — but was promptly rebuilt. The cathedral houses assorted remains of Saxon kings, perched in mortuary chests on top of the choir screens. In fact, it is full of bizarre items — the most strikingly horrible being the decomposing corpse sculpted in the lower reaches of Bishop Fox's elaborate chantry. The whole east end is a jumble of these wonderful little chapels, many standing in isolation. There are undulating floors of 13th-century tiles and a surprising amount of lively medieval painting in the Holy Sepulchre Chapel. It can be lit up for 10p.

One of the oddest items is a little bronze statue of "William Walker the diver, who saved this cathedral with his two hands, 1906-1912". This refers to the heroic feat of underpinning, which saved the building from sinking into completely waterlogged ground. You need at least an hour to appreciate this extraordinarily rewarding interior. Allow extra time for the tour of the crypt (dry months only), the treasury and the magnificent library. Leaving through the Close, which itself has more architectural interest than many a large town, you can take a pleasant stroll past the house where "Zank" Walton died (in Dome Alley), the house where Jane Austen died (on College Street), Winchester College, Wolvesey Palace: where the Bishop lives, and down to the water meadows by the River Itchen. A walk of about a mile will take you to the Hospital of St Cross, the oldest charitable institution in England. And you will still have seen only a portion of what Winchester has to offer.

island sun advertisement. Includes contact information for London and other locations.

island sun advertisement. Features 'Capo D'Orlando £199' offer.

Amsterdam Palace advertisement. Offers a free copy of an attractive poster.

island sun advertisement. Promotes 'The Cultural Experience' for £139.

Free Flight to Sicily and back £289 advertisement.

Continental Motoring Breaks advertisement. Offers choice of over 100 hotels.

P&O Air Holidays advertisement. Promotes 'Far and away the best. Far East value.'

France Country House - Hotels advertisement. Offers dream days at idyllic hotels.

Over field and under ground for charity

CUTINGS

GAMES DAY: Numerous board and computer games on show, plus demonstrations of adventure and role-playing games of varying degrees of complexity.

MASHAM "SHEEP FAIR": Revival of an ancient fair in a town which has always had close associations with sheep shepherding and wool.

LEEDS CASTLE HARVEST FESTIVAL: Dramatic arrangements of local produce — fruit, flowers and vegetables — from the county of Kent, otherwise known as "the garden of England".

PUNCH AND JUDY FELLOWSHIP FESTIVAL: Non-stop entertainment by some of the county's most experienced "professionals", including Professor Parry Press II. Also visiting will be

two well-known continental exponents — Guignol from France, and Kasperle from Austria. The Piazza, Covent Garden, London WC2. Tomorrow, 10.30am-5pm. Free.

MASHAM "SHEEP FAIR": Revival of an ancient fair in a town which has always had close associations with sheep shepherding and wool. Sheep show this morning, sale of rare and coloured sheep this afternoon and a procession in honour of

LEEDS CASTLE HARVEST FESTIVAL: Dramatic arrangements of local produce — fruit, flowers and vegetables — from the county of Kent, otherwise known as "the garden of England". The 31 exhibition arrangers include many top practitioners who have created displays in St Paul's Cathedral, for the wedding of Prince Charles and Princess Diana, in Westminster Abbey for the Fruits of the Earth Festival and for the Liverpool Garden Festival.

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Flocking together: now these woolly wonders can play their part for famine relief in the drought-stricken Sudan (see Masham 'Sheep Aid' Fair)

Bishop Blaize, patron saint of wool-combers. Sheepdog trials tomorrow from 8.30am-dusk and, throughout, a flower, craft and history show in the church.

BRITISH ISLES HORSE AND TRACTOR PLOUGHING CHAMPIONSHIPS: Annual event which sees the heavy horses at their working best. Also a sheepdog trial, farming and agricultural trade stands, refreshments, licensed tents.

BUXWORTH STEAM PARTY: Always a jolly affair with traction engines, traditional fairground rides, Morris dancers, a calich and brass band, songs and music by Don Partridge and other entertainers. Sheep roasts, real ale and other refreshments.

LONDON UNDERGROUND CAPITAL CAPER: Fund-raising event in aid of Capital Radio's "Help a London Child" scheme, which entails visiting 13 nominated underground stations, at each of which special events such as break-dance, BMX and pizza-eating competitions will take place.

JUDY FROSHAUG: Many celebrities at the various venues and live broadcasting at Warren Street. Today, 8am-6pm. Collect sponsorship and competition entry forms from any London underground station.

That's the way to do it: Punch and Judy on parade

brass band, bell-ringing, stalls and a variety of refreshments. Masham, North Yorkshire. Today 10am-dusk, tomorrow, 12 noon-dusk. Free but collections in aid of famine areas in the Sudan.

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AUTUMN RALLY: Opportunity to see not only the fine collection of commercial vehicles inside the museum, but also 300 exhibits arriving for the occasion. These include buses, steam, traction and stationary engines, fair organs, fire-fighters, military vehicles, motor cycles and working model engines. British Commercial Vehicle Museum, King Street, Leyland, Lancashire (0772 451 011). Tomorrow, 10am-5pm. Adult £1.50, child 50p.

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TAORMINA Scilly for Autumn Sun advertisement. Offers a walk in the Cotswolds.

Verenhof hotels Baden advertisement. Promotes Switzerland as 'The Place to Go'.

WEEKEND WALK advertisement. Offers a walk in the Cotswolds.

COLN VALLEY advertisement. Offers a walk in the Cotswolds.

Roman Villa advertisement. Offers a walk in the Cotswolds.

succession of fine stone villages advertisement. Offers a walk in the Cotswolds.

SHOPPING

By Beryl Downing

An illuminating look at some new energy-saving devices designed to reduce the charge of the electric light brigade
Spotlight on the shape of things to come

As the darker nights close in, it is time the electrical fittings makers and retailers got their act together to help customers to choose new lamps for old.

There are some exciting developments in the industry and a number of new energy-saving products coming on to the market, but many customers are being kept in the dark.

The two most important recent innovations are special lamps for use with VDUs - a necessary health requirement - and an interesting easy-fit ceiling and wall socket.

Low-energy tungsten halogen is the favourite of lighting design specialists because of the effects which can be achieved with various widths of beam. It has been available for domestic use for some time, but very little attempt has been made to teach customers about its possibilities.

This week I went into Rackhams in Leamington Spa, Warwickshire, and asked to be shown energy-saving light fittings. I was told that they had once stocked the Philips low-energy bulb but had stopped because "there was no demand". They had never heard of halogen for anything but store spotlights.

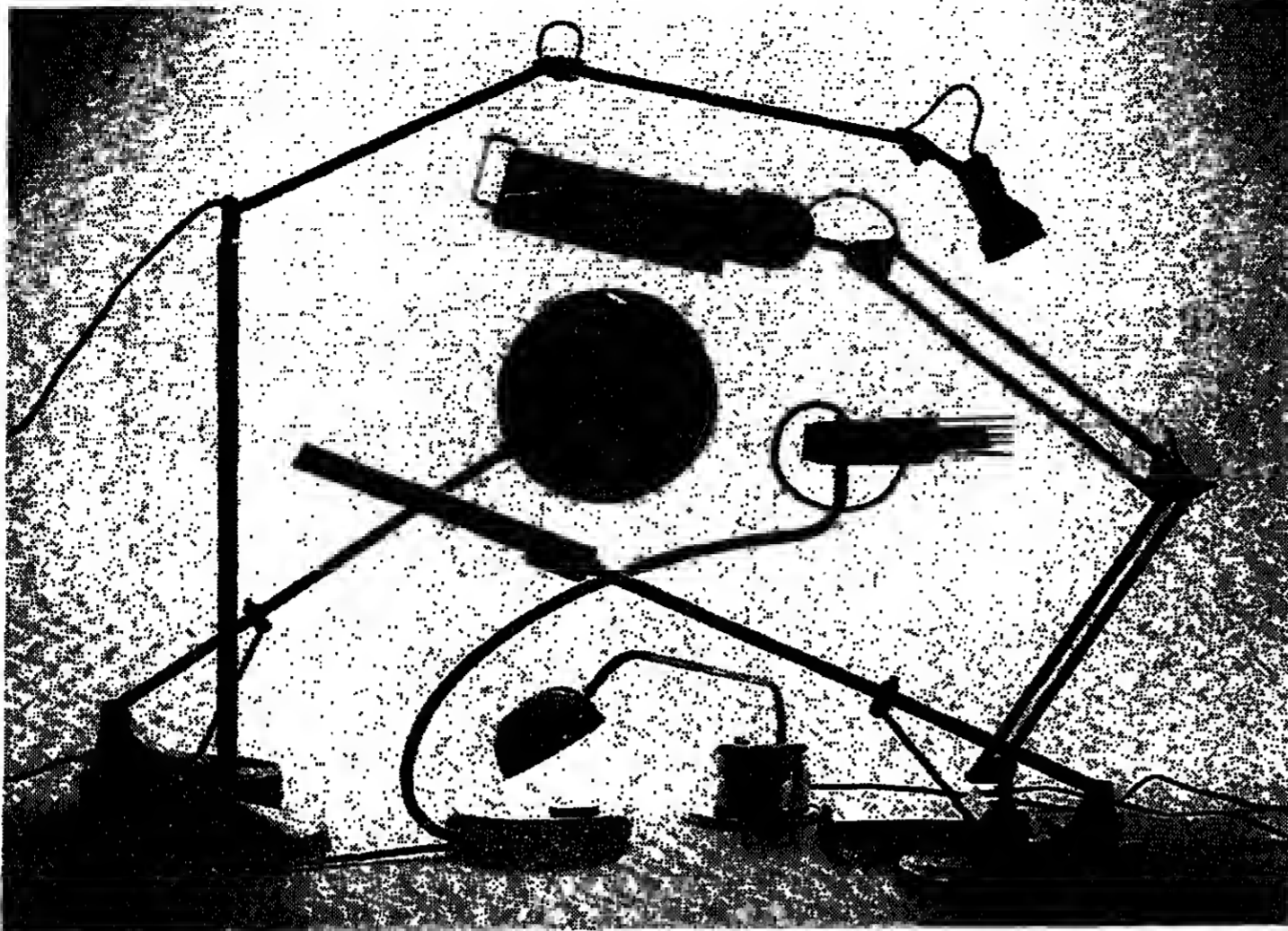
Information is not much easier to obtain in London. Conventional lighting departments are unable to show the effects of low-energy fittings, and there is still only one specialist shop, Lighting Design in Chelsea, where customers can have all the possibilities of spotlighting and wall washing demonstrated in a darkened showroom.

For those who like avant garde Italian lighting, Artemide and London Lighting are favourite brands and recently Mr Light in Fulham Road introduced 1920s and 1930s style fittings with linear halogen tubes so that those with more traditional interiors can also choose low-energy lighting.

But nationwide department stores are being cautious to the point of inactivity in their approach to informing their customers.

John Lewis have found that their provincial customers are much less adventurous than their counterparts in London and say they do not intend to push low energy lighting until there is a demand for it.

British Home Stores, who have long been known for good value lighting, still sell 75 traditional styles and have only a smattering of low-energy fittings - tungsten



Task force: low-energy lamps for every occasion include, from the left, tall black lamp with long, flexible arm for desk or floor, £29.99, white asymmetric reading lamp with oblong head, £29.99, both made in Finland by Lival and available from mid-October at British Home Stores; big-headed Anglepoise 433T for VDUs in red, black or white,

£55 at V & M Taylor; executive desk lamp with silvery finish and long slim head 433PL by Anglepoise, £59.50 to order from V & M Taylor; elegant O-Luce Wing 509 desk lamp with curvaceous fixed arm, £202.40 from London Lighting; gold plated small lamp with arm flexible at head and base by Flexihalo, £59 at John Lewis

halogen is a "new venture" for them this season.

A much greater problem may be that saving energy for many people is a big yawn. Energy-saving bulbs are much more expensive than the conventional type and most shoppers tend to pay as little as possible over the counter and not to worry about future savings on their electricity bills.

The latest technical development is a socket made by Rock Electrical called the Klik Connector system - a form of ceiling rose which is wired into the circuit and can then have fittings simply clicked into place.

Wall lights and skirting sockets are also available and can be wired into existing houses or at the

building stage. The system makes changing fittings as easy as plugging in an iron.

House of Fraser think the development is so important that they are planning to re-fit some of their lighting departments in order to show customers how Klik works.

The system at the moment is limited to conventional brass fittings - models made by Contessa - made by D. H. Evans in London and two traditional wall fittings with Klik connectors are being tried out now in seven Marks & Spencer stores.

But House of Fraser expect a variety of styles to come. "We think the system will become standard and other manufacturers will follow", they say.

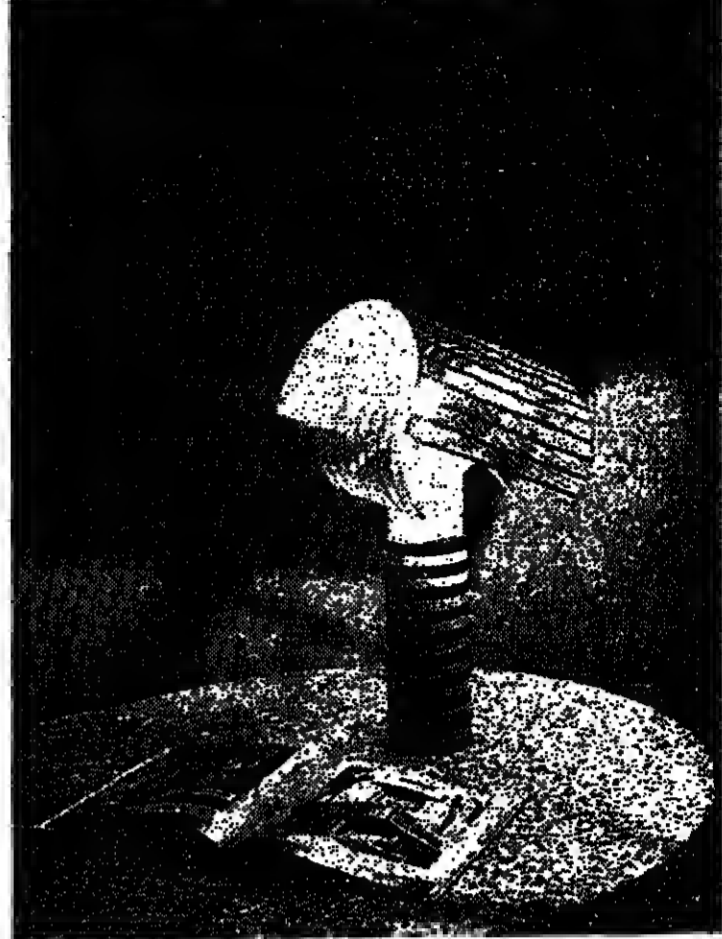
There is indeed talk at the moment of a nationwide construction company installing the Klik system in its new housing estates, so makers of new light fittings should be getting their design pads out.

Anglepoise, who were well ahead of their time in 1933 when they created the spring-balanced lamp that became a design classic, are now producing a range of reading lights and fittings for specific purposes.

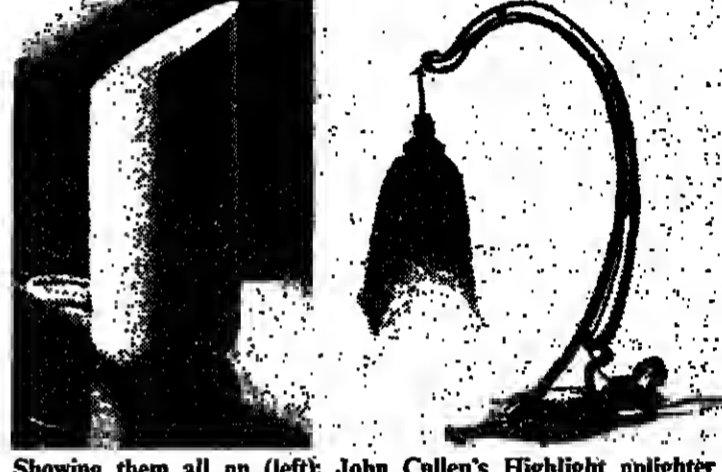
For work at home, with computers and VDUs, there is the 433T, which overcomes the problems of light reflected in the screens and of overhead fluorescent light, both of which can cause eye strain. It has a hooded shade which directs the light only on to

the desk top and, when fitted with an anti-glare louvre, cuts out any side spread of light. For very close work, including sewing, model making and fisherman's fly-tying, their hobby lamp 87V07 has an acrylic magnifying lens, set next to a 40 watt bulb, shielded by a shade.

The latest range in traditional fittings at Christopher Wray's Chelsea shop is inspired by the headlamps on a 1928 Bentley Vanden Plas open tourer and comes in a dark lively green. Wray also has original period lamps in his collection and Jones in Westbourne Grove, London, is one of the best sources of art nouveau and deco - about 2,000 fittings from the 1860s to the 1940s, including pieces by all the great late 19th-century glass designers.



Light fantastic: the Shogun Tavolo in black and white metal with mesh shade will take either a conventional 150 watt bulb or a tungsten halogen. Designed by Mario Botta, £251.85 from Artemide



Showing them all up (left): John Cullen's Highlight spotlighter designed to create shadows beneath plants or to spotlight objects from below, £65 with a choice of three bulbs, narrow, medium or wide beam, each about £11.80. From Lighting Design. Guiding light (right): the current trend for Deco style expressed in the Bentley table lamp, £260 from Christopher Wray. Period piece (below): art nouveau bronze lamp with pendant Schneider shade, can also be used as a wall bracket. Made about 1910 - £850 from Jones.

Advertisement for Adic Labels, offering various label products for sale.

Advertisement for a Wooden Dolls House, featuring a dollhouse illustration.

Advertisement for Growlights, promoting them as ideal for greenhouses and homes to bring winter into summer.

Large advertisement titled 'IN THE GARDEN' about Primula obconica, discussing allergies and providing care tips.

Advertisement for an Address Book, listing various addresses and contact information.

Advertisement for Emerald Fantastica, a fast-growing hedge product.

Advertisement for Westwood tractors, featuring a tractor illustration and promotional offers.

Advertisement for Cowslips, a classic 100-page hillier catalogue for garden lovers.

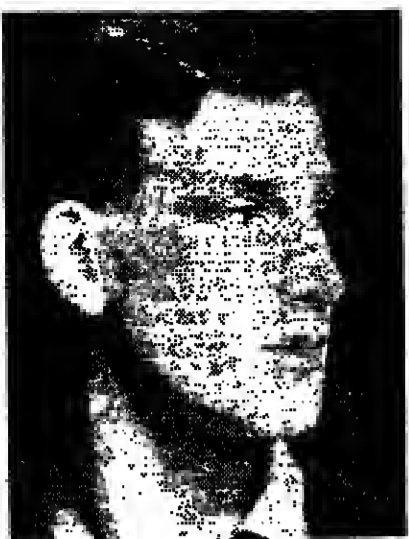
Advertisement for Cowslips, featuring a cow illustration and product details.

Advertisement for Planned Gardens, offering garden design and maintenance services.

Advertisement for Mehu-Maija steam juice extractor and steamer cooker, featuring a product illustration.

Large vertical advertisement on the right side of the page, including 'Good', 'When', and 'Harvey' brand elements.

THE WEEK AHEAD



RADIO
INTO BATTLE: Siegfried Sassoon was born 100 years ago this month. His autobiographical classic, *Memoirs of a Fox-Hunting Man*, charts an orphan boy's progress from an idyllic rural England to the trenches of the First World War. Radio 4, today, 4.45-5pm.



THEATRE
FAMILY CURSE: Vanessa Redgrave plays the upright Mrs Alving in Ibsen's *Ghosts*. Considered shocking in its time, the play is about a respectable family trying to live with the scandal of a venereal disease. Young Vic (01-928 8363), from Thursday.



BOOKS
NELSON TOUCH: Lady Emma Hamilton (as seen by Rowlandson) rose from a humble background to ensnare Britain's naval hero, Lord Nelson. *Beloved Emma* (published on Monday by Weidenfeld, £14.95), is a biography by Fiona Fraser, daughter of Lady Antonia.



OPERA
GRAND HOTEL: Eric Idle, of the Monty Python team, as Koko in an unorthodox production of *The Mikado* by Jonathan Miller. The setting has been changed from Japan to a British luxury hotel between the wars. Coliseum (01-836 3161), from today.



GALLERIES
IMAGE MAKER: Georges Rouault, the French painter, has been a powerful influence on artists of today such as Ken Kiff and Leon Kossoff. The etching above comes from a series inspired by the First World War. Norwich School of Art (0603 610561), from Monday.



FILMS
SINGLE PARENT: Anthony Hopkins as an estranged husband trying to make contact with his children in *The Good Father* (15), an acrid dissection of middle-class life by Mike Newell. Renoir (01-439 4470), Electric Screen (01-229 3694), from Friday.

TIMES CHOICE

DANCE
CENTRAL BALLET OF CHINA: Making its first visit to Britain, opening Thurs with the first of two programmes ranging from *The New Year's Sacrifice*, based on a Chinese story about a young widow forced into a second marriage, to the lakeside scene from *Swan Lake*. Excellent dancers and an interesting repertory. Sadler's Wells (01-278 8916), Thurs-Oct 18.

CONCERTS
MOZART PREMIERE: The first performance of the *Quartetsatz K 464a*, a piece left unfinished by Mozart but later completed by Luigi Elwart. St Saviour's Church, Crickleade, Wiltshire (0793 750338). Today, 3pm.

WOMAN IN MIND: Ayckbourn's latest foray into middle-class frustration. Julia McKenzie shines as the touched fantasist of the title. Vaudeville (01-636 9888).

THE HOUSE OF BERNARDA ALBA: Lorca's last tragedy of Spanish matters, robustly played by Joan Plowright, Gianna Jackson, Amanda Root et al. Lyric, Hammersmith (01-741 2311).

NORTHERN BALLET THEATRE: At Doncaster, Tues-Oct 4, with its production of *Coppelia* which transfers the action to northern England. Gaumont, Doncaster (0302 62523).

WAR REQUIEM: Britten's War Requiem by massed forces conducted by Sir John Pritchard (above) and David Atherton. Royal Albert Hall, Kensington (01-589 8212). Tomorrow, 7.30pm.

COVENTRY: The Boys from Hibernia: New comedy about computer fraud by Mark Power, the author of *Modern Languages*. Balgownie Studio (0203 553055). Opens Thurs.

GLASGOW: The Representative: Robert David Macdonald's translation of the Roif Hochhuth drama, directed by Macdonald. Citizens' (041 429 022). Free dress rehearsal Thurs. Opens Fri.

SCOTTISH BALLET: Starts a tour in Bath (Tues) with a revised production by Peter Darrall of *Giselle*. Three different casts perform this week. Theatre Royal, Bath (0225 65065), Tues-Oct 4.

DAVIS/ARRAU: Sir Colin Davis conducts the London Symphony Orchestra in Ravel's *Daphnis et Chloe* and Bruno Leonardo Gelber solos in Beethoven's Piano Concerto No 5 'Empireur'. Barbican Centre, Silk Street, London EC2 (01-628 8795). Credit cards 01-638 8891. Tomorrow, 7.30pm.

WATFORD: So Long On Lonely Street: British premiere of a Broadway success, a comedy by Sandra Deer, centred on the reading of a will. Gayle Hunnicutt, Brian Protheroe, directed by Lou Stela. Palace (0923 25671). Previews from Thurs, Opens Oct 8.

NEW ORDER: The Mancunian lords of the post-punk dancefloor mix. Thurs, Tower Ballroom, Birmingham (021 4051503); Fri, Malvern Winter Gardens (06845 3377).

THEATRE
IN PREVIEW
LES LIAISONS DANGEREUSES: Hit RSC production of Christopher Hampton's adaptation of the 18th-century novel by Laclos: a study in antiseptic sexual corruption and cynicism. Howard Davies directs a cast headed by Lindsay Duncan, Alan Rickman, Joan Anderson, Suzanne Burden. Ambassadors (01-836 6111). Thurs, press night Oct 14.

OPERAS
ROYAL OPERA HOUSE: Welsh National Opera's *Fing cycle* is completed this week with performances of *Valmy* tonight (5pm), *Siegfried* on Tues (5pm) and *Götterdämmerung* on Thurs (4pm). Göran Järnvald directs and Richard Armstrong conducts. Covent Garden, London WC2 (01-240 1066).

MADE IN LONDON SEASON: The Museum of London's indispensable cycle of British classics and commissions continues with two inventive silent dramas — Maurice Elvey's *The Passionate Friends* (Tues) and Asquith's

OPERA NORTH: Opens its new season tonight with a new production of *The Capture of Troy*, the first part of Bertol's *Les Troyens*. David Lloyd-Jones conducts a cast led by American soprano Kristine Cieslinski as Cassandra, Roniek Hamilton as Aeneas. On Fri, *Madam Butterfly*; all performances start at 7.15pm. Grand Theatre, New Briggate, Leeds (0532 459351).

OPERA
KENT OPERA: A new production of *Carman* by Robin LeFebvre starts Kant's season at Canterbury on Wed at 7.15pm. The Swedish mezzo, Anne-Marie Muhle makes her English debut in the title role opposite the Don José of Howard Haskin. The Meadows, Canterbury (0227 67246).

LOOSE TUBES: Exciting 21-piece orchestra featuring Django Bates, Iain Ballamy, David DeFries and many other talented young improvisers. Tomorrow, 10 Club, London W1 (01-636 0933); Thurs, Mitchell Theatre, Glasgow (041 552 5961).

IRAKERE: The inheritors of a proud tradition of Cuban-jazz fusion, Havana's finest export guarantee a rousing night. Alan Skidmore, perhaps the most convincing British disciple of John Coltrane, shares the bill. Mon to Sat, Ronnie Scott's Club, London W1 (01-439 0747).

CONSERVATION: Special display demonstrating the restoration of antiquities. Park Lane Hotel Antiques Fair. Barbican Centre, Silk Street, London W1 (01-985 5094). From Wed.

OPENERINGS
CATHERINE OF SIENA: Lynda Bellingham as the 14th-century saint and writer, in *Retta Tanya's* one-woman show, directed by Joan Kemp-Welch. King's Head, Islington (01-226 1916). Opens Mon, press night Tues.

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ST AUGUSTINE: Exhibition celebrating 1,600th anniversary of the conversion of St Augustine. Ends tomorrow. British Library, British Museum, Great Russell Street, London WC1 (01-636 1544).

BOOKINGS
FIRST CHANCE
MENOTTI DOUBLE BILL: Postal booking opens Wednesday for *Amahl and the Night Visitors* and British premiere of *The Boy Who Grew Too Fast*. Dec 11-17. Sadler's Wells Theatre, Rosebery Avenue, London EC1 (01-278 8916) (01-278 5450 information).

Seventy not out and still battling



Robert Mitchum once said of Trevor Howard that "the nice thing about Trevor is you never catch him acting". Howard regards this as the greatest of compliments, and indeed he has managed to make more films than the years he has lived — he is 70 on Monday — without ever behaving like a star, on-screen or off.

As a result, it might be said that he probably let go, by default, a career as one of the best British film actors of his generation. But now his talents are to be fully appreciated, with seasons of his films on Channel 4 and at the National Film Theatre and a sympathetic biography — *Trevor Howard: a Gentleman and a Player*, by Vivienne Knight — on the book stands.

While at Rada he spent weekends at a hotel in Broadstairs patronized by Henry Aimey, who heard him memorizing his lines and took an encouraging interest. "He became a bit of a father to me — I think I got the bug from him," he led, by way of Stratford, to a part in Terence Rattigan's first hit comedy *French Without Tears*, which ran for two years and put Howard off long runs for life.

ARTS DIARY

Colour bind

The "colorization" controversy thunders on. Now American studios have bagged the rights to two British classic black-and-white films — *Room At The Top* and *A Taste of Honey* — and plan to colour them by computer and re-release them.

This inroad into our cinematic heritage has brought howls of rage from the British film industry, with veteran director Fred Zinnemann in the van. He and half a dozen interested bodies have persuaded the BBC and Channel 4 to agree not to show certain black-and-white films which may be coloured in the States and sold here. Zinnemann says: "When I made *High Noon* I spent weeks trying to evoke the atmosphere of an 1880s photograph: the white sky, the grainy texture, it would be disastrous to turn it into colour."

Pater familiar

The stars of Tom Sharpe's campus comedy, *Porterhouse Blue*, which will be shown next year on Channel 4, are father and son Ian and Miles Richardson. Dad plays Sir Godber Evans, the new reforming master of Porterhouse College, while Miles is Gillingham, the student leader who resists his changes. The book has been adapted by Malcolm Bradbury, whose

Miles and Ian Richardson dramatization of Sharpe's *Blind on the Landscape* is currently being repeated on BBC1. The cast for *Porterhouse Blue* also includes David Jason as the porter, Scullion, and Paul Rogers. The Richardsons will be acting together for the first time since Peter Hall's film of *A Midsummer Night's Dream* in 1967, in which Ian was Oberon and Miles, then four, was painted bright green and played a fairy.

Entrance free

It came as no surprise to those who know the Victoria and Albert Museum that its voluntary admission charge scheme would be a washout. This week the V & A admitted it had barely covered its costs on the year-old scheme and blamed "negative publicity" for the failure. Only one in a dozen people entering the museum actually coughs up the suggested £2. Some remember the day, tellers got so confused that they estimated more people had paid their entry fee than were actually in the museum.

Windsor soap

In 1955 Malcolm Muggeridge coined the notion of the Royal Family as a soap opera. Next month the notion becomes reality with the publication of *Palace*, a send-up of *Dallas* by Neil Mackwood and Bryan Rostron, using the script-style of Southfork and the characters from SW1. Muggeridge, now 84, has declined an newspaper's invitation to review the book. His excuse: "I'm too old."

Christopher Wilson

Kick Theatre COMPANY NOW OPEN UNTIL 11 OCT 7pm
CORIOLANUS DAZZLING PERFORMANCE
ALMEIDA THEATRE 01.359 44041

For ticket availability, performance and opening times, telephone the numbers listed. Dance: John Percival; Theatre: Tony Patrick and Martin Cropper; Opera: Hilary Francis; Jazz: Richard Williams; Concerts: Max Harrison; Films: Geoff Brown; Galleries: Sarah Jane Checkland; Rock: David Sinclair; Bookings: Anne Whitehouse

COURT CIRCULAR

Birthdays

Births, Marriages

Deaths

Notices

COURT AND SOCIAL

COURT CIRCULAR

BUCKINGHAM PALACE September 26: The Duke and Duchess of York this evening attended a Concert given by Chris de Burgh in aid of the Leukaemia Research Fund at the Wembley arena.

Birthdays

TODAY: Sir Robert Adcock, 87; Miss Josephine Barrow, 46; Mr Philip Blacker, 37; Dr Tessa Blackstone, 44; Surgeon Captain T. T. Heston, 63; Mr Gordon Honeycombe, 50; Lieutenant-General Sir Ian Jacob, 87; Mr Denis Lawson, 39; Lord Miles, 79; Sir Edward Nichols, 75; the Rev Professor C. Nicholson, 65; General Sir Ian Riches, 78; Dr Margaret Rule, 58; Lord Shepherd, 68; Mr Alvin Starust, 44; Mr Lech Walesa, 43.

Births, Marriages, Deaths and In Memoriam

BIRTHS, MARRIAGES, DEATHS AND IN MEMORIAM. 24 x 11cm x 15cm MATRIMONY (minimum 3 lines). Announcements, authenticated by the name and permanent address of the sender, may be sent to: THE TIMES, PO BOX 484, VIOGATA STREET, LONDON E1 9XS.

BIRTHS

ASKWELL - On September 24th, at St. Thomas' and Tim, 3 sons, Edward Timothy.

MARRIAGES

GARDNER - DEANER - On September 20th, at Tunbridge Wells, Kent. Barry to Anne. The bride was given away by her brother, Martin Tadd. Father: William was best man.

John Cole Serenity, the achievement of age

Shakespeare, in As You Like It, portrays an old man as "the lean and slipper'd pantaloon, with spectacles on nose... and his big manly voice turning again towards childish treble".

Service dinners

Royal Naval College, Greenwich. A ladies' guest night dinner was held last night at the Royal Naval College, Greenwich.

Forthcoming marriages

Mr M.D. Mason and Miss N.J. Hall. The engagement is announced between Martin Derrick, eldest son of Mr and Mrs D.W. Mason, of Doonington, Chichester, Sussex, and Nicola Jane, eldest daughter of Sir John and Lady Thames of Tunbury, Surrey.

Receptions

Commonwealth High Commissioners. The Speaker was present at a reception held last night at the Commonwealth Institute by the Commonwealth High Commissioners.

Service reception

31st (Greater London) Signal Regiment (W). Major-General Sir Roy Redgrave, Honorary Colonel, 31st (Greater London) Signal Regiment (W), Lieutenant-Colonel C. P. Stanning, Commanding Officer, and officers of the Regimental HQ, Hammer-smith, Major P. D. White, presided and among the guests were...

Appointments

Latest appointments include: Mr Alderman Hugh Bellwell and Mr Alderman Michael Graham to be Sheriffs for the City of London for the forthcoming year.

Services tomorrow

St. Paul's Cathedral. 11.30 AM. Evensong and Benediction. St. Martin's Church. 11.30 AM. Evensong and Benediction. St. Andrew's Church. 11.30 AM. Evensong and Benediction.

OBITUARY MR STANISLAUS SEUFFERT

Divorce judge and papal knight. Mr Stanislaus Seuffert, QC, who died on September 22, at the age of 87, was Special Divorce Commissioner and Deputy Judge from 1967 to 1975.

SIR LAWRENCE PENDRED

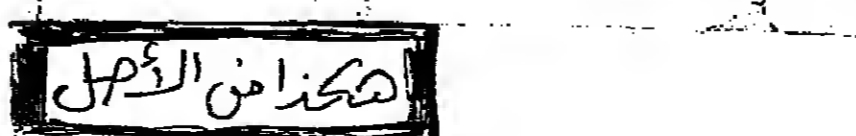
Air Marshal Sir Lawrence Pendred, KBE, CB, DFC, died on September 19 at the age of 87. His service to the RAF over many years as VAF, as well as his military career, was extensive.

SIR WILLIAM GOODE

Mr Lee Kuan Yew, Prime Minister of Singapore, writes: In 1953, I first met William Goode, newly arrived as chief secretary, to press the grievances of the postmen's union over red stripes on their uniforms.

BRIGADIER F. C. CURTIS

Brigadier Francis Curtis, CBE, who died on September 24 at the age of 88, was one of the earliest of regular officers to take a Cambridge degree during the inter-war period.



Executive Editor Kenneth Fleet

STOCK MARKET FT 30 Share 1238.4 (-3.9) FT-SE 100 1568.6 (-7.3) Bargains 21638 USM (Datastream) 122.24 (-0.7) THE POUND US Dollar 1.4380 (+0.0045) W German mark 2.9429 (+0.0064) Trade-weighted 68.7 (Same)

Gill leaves the LME

Gill & Duffus, the commodity trading company taken over by Dalgety last year, is the latest London Metal Exchange member to leave the ring as a result of the tin crisis last October.

Liberty drop

Pretax profits of Liberty, the retailing, printing, converting and wholesaling group, more than halved in the six months to July 31, down to £417,000 from £896,000.

Elders leap

Elders IXL, the Australian group which recently paid £1.4 billion for Courage, made pretax operating profits of Aus\$236.8 million (£103 million) in the year to June 30 compared with Aus\$133.4 million the previous year.

Argos up 18%

Argos Distributors, the catalogue showroom subsidiary of B&T Industries, increased first half sales by 18 per cent to £178.6 million.

Merger

Two of Britain's smaller building societies, the Norwich and the Peterborough, merge on October 31.

Costs down

The cost of living in West Germany is 0.5 per cent below that of September, 1985. It fell by 0.4 per cent in August.

98% accept

The Scottish and Newcastle Breweries offer for Home Breweries has been declared fully unconditional, with acceptances for 98.92 per cent of ordinary shares.

MARKET SUMMARY STOCK MARKETS New York 1770.39 (+1.53) Dow Jones 1796.98 (-27.37) Nikkei Dow 2034.38 (+22.89) Hang Seng 279.5 (-5.5) Amsterdam 1258.9 (+8.6) Frankfurt 1985.1 (-10.1) Cornmerzbank 3876.55 (+2.21) Paris CAC 388.4 (-2.9) Zurich 518.00 (-4.0) S&A General 229.25 (+0.5) London closing prices Page 25

Protection plan for investors angers Exchange

The Government is to amend the Financial Services Bill to impose an industry-wide compensation scheme on the entire network of self-regulating organizations. The amendment is to be tabled on Tuesday in the face of fierce opposition from the Stock Exchange and the International Securities Regulatory Organisation (Isro).

Group of Five seek to heal the rift

From Bailey Morris and David Smith, Washington. Ministers of the Group of Five industrialized nations met in closed session yesterday in an attempt to heal the growing rift over policies amid growing concern that Britain will be forced to raise base rates if the sharp slide in the pound cannot be halted.

Opax faces rival bid for printer

The battle for control of McCorquodale, the banknote printer, took a new twist yesterday with news of an approach from a third party which could lead to a higher offer than the £146 million at present on the table from the rival printer Norton Opax.

Edinburgh hotels sold by Guinness

Norfolk Capital Group, the hotel company chaired until earlier this year by Sir Maxwell Joseph's widow, Lady Joseph, has emerged as the buyer of two Guinness hotels in Edinburgh and the North British.

Success of small businesses delivers a million new jobs

New small businesses created a million new jobs between 1982 and 1984, according to research by the University of Newcastle. The total includes all one-person businesses.

Kleinwort aids privatization of St Gobain

Kleinwort Benson, the British merchant bank and the French arm of Lazard Brothers, has been chosen to play important roles in the privatization next year of St Gobain, the glass-making and industrial group, which will spearhead the French Government's denationalization programme.

Burrups to print gas prospectus

Burrups, part of the Ectel news and information group, has clinched the order to print the prospectus for the British Gas share flotation, the biggest City print contract so far.



Eurotunnel projects profits of £109m after first year

Enrotunnel, the Anglo-French partnership chosen to build and operate the £4.7 billion cross-Channel link, yesterday launched an international private placing to raise £206 million.

Financial projections for Eurotunnel Year Turnover £m Pre-tax profit £m 1994 752 109 2002 1,320 727 2003 2,068 1,919 2004 4,923 3,892 2005 8,865 7,289 2006 15,150 12,192

Lord Pennock, the British co-chairman, said: "We have a very convinced feeling now that our act is really coming together."

Two year performance to 1st September

The most recent Oppenheimer fund launch was in September 1984 so we are now able to show the two year performance for all of our ten funds.

Table with 3 columns: Trust, Percentage increase in value, Position and total number in sector. Includes European (+189.2), U.K. (+118.4), Pacific (+117.6), Japan (+95.8), International (+88.8), Worldwide Recovery (+86.1), Income & Growth (+82.7), High Income (+55.3), Practical (+52.2), American (+25.0).

Success of small businesses delivers a million new jobs

New small businesses created a million new jobs between 1982 and 1984, according to research by the University of Newcastle. The total includes all one-person businesses.

Delay in final TSB figures

Lazard Brothers, the merchant bank handling the Trustee Savings Bank share issue, yesterday delayed announcing the size of the subscription for shares but said a statement was likely tomorrow or Monday.

Experts estimated that a total of around £500 million had been withdrawn but expect that a substantial proportion will return to society accounts from people who do not receive their full allocation or sell their shares quickly.

The Abbey National said more money had been withdrawn from the TSB issue than for British Telecom.

The issue will have caused a net outflow of funds for the industry during September, only the second net monthly outflow on record, leading societies to dip into their reserves and rely more on funds raised in wholesale money markets.

Mr Callum McCaskill, a general manager for the Halifax Building Society, said: "We have passed out a lot of cheques but the majority will come back again in October because of the oversubscription. You have to take the building society figures for September and October together to get a fair picture."

Lazards warned investors not to be pressured into selling their TSB shares immediately, as many experts were urging.

Oppenheimer advertisement with large logo and text: Two year performance to 1st September. The most recent Oppenheimer fund launch was in September 1984 so we are now able to show the two year performance for all of our ten funds.

WALL STREET

Retreat continues in early trading

New York (Reuters) - Wall Street investors, still shaken by the big decline of two weeks ago and the fear of higher interest rates, continued to retreat in early trading yesterday. The Dow Jones industrial average was down 10.26 points to 1,758.30. Declining issues led advancing issues by a margin of seven to three, on a volume of 11 million shares. Borg-Warner led the active shares, rising 1 1/2 to 38. Lucky Stores fell 1/2 to 23 1/2 and USX 1/4 to 23 1/2. The transportation average was down 3.67 points to 780.88, utilities lost 1.77 points to 200.48 and stocks, at 696.99, were down 3.89 points. The Standard and Poor 100 index was down 1.07 at 218.14. Mr Robert Ritter of L.F. Rothchild, Unterberg Towbin, expected the market to hold steady near this month's low of 1,758.72 in the short term. However, it could easily, he said, dip to 1,700 level before the correction was over. Meanwhile, Mr Martin Kromer, of Jefferies & Co, expected the market to stabilize, although many traders were nervous over the uncertainty, he said.

Aero-engine makers in £300m Qantas battle

By Harvey Elliott, Air Correspondent

Three aero-engine manufacturers have each launched a major campaign to persuade Qantas, the Australian airline, to buy its engines - even though the aircraft they will power has not yet been chosen. Each sales team - from Rolls-Royce, Pratt and Whitney and General Electric - has spared no expense to convince the airline that its engine is best. At stake is an order worth up to £300 million which for the winner could guarantee jobs and profits for years. Many of the arguments advanced are a re-run of the bitter battle between General Electric and Rolls-Royce for engines to power British Airways' new fleet of Boeing 747-400 jets. That fight was won by Rolls-Royce, leading to accusations of Government interference and "dirty tricks" by senior managers, who together have invested £56,000, Kent specializes in supplying retail chemists with generic pharmaceuticals, which are over-branded drugs supplied only by prescription. WOULD: Half-year to June 30, interim dividend unchanged at 0.75p, payable on Nov. 28. Turnover: £11.83 million (£12.38 million). Pretax profit: £1.65 million (£1.8 million). Loss per share: 7.97p (9.40p). FINLAY PACKAGING: Six months to June 30, interim dividend 0.75p (same), payable on Nov. 3. Turnover: £4.63 million (£4.59 million). Pretax profit on ordinary activities: £408,000 (£385,000). Earnings per share: 3.08p (2.72p). ASSOCIATED BOOK PUBLISHERS: Interim dividend raised to 2.25p (2.1p) for the half-year to June 30. Turnover: £36.45 million (£31.66 million). Pretax profit: £2.21 million (£2.15 million). Earnings per share: 3.9p (3.8p). LOGICA: Dividend 1p (0.35p) for the year to June 30. Turnover (including related companies): £87.04 million (£62.28 million, adjusted). Pretax profit: £6.8 million (£5.01 million). Earnings per share: 10.07p (6.95p, adjusted). Prospects for continuing profitable growth are excellent, the board declares. At the year-end, net cash balances stood at £8.3 million, compared with a net overdraft of £11.9 million at the start of the year. GRESHAM TRUST: The trust has invested £125,000 in a new company, Kent Pharmaceuticals, which is controlled by Mr D. O'Neill, the managing director and three

Liberty loses out as tourists stay away

TEMPUS

This summer it was pleasant to walk down London's Regent Street without being trampled underfoot by tourists weighed down by carrier bags filled with goods from Liberty. Bomb threats scared off the faint-hearted, while currency movements meant many foreign shoppers received less for their money. Tourists usually account for a third of first-half business at Liberty's flagship store but their absence was felt this year. British retail results were pushed from a profit of £451,000 to a loss of £163,000. The Regent Street shop did not lose money, but was unable to absorb the normal costs incurred by provincial outlets - whose business is weighted towards the second half. The effect of being over-dependent on one outlet is clear. The group is well aware of this and is soon to open its tenth free-standing store. These, with stores within stores, increase the geographical spread. Fears of terrorists affected profitability at Schiphol Airport in The Netherlands. The second half will benefit from the launch of the refurbished store in Amsterdam. At home, Americans are less impressed by Liberty products, which cost twice as much. However, losses have been reduced from £171,000 to £107,000 after the closure of the store in Dallas, Texas. The group is working hard to return this business to the black. A quarter of converting and wholesaling turnover is generated by value-added products. This percentage is rapidly increasing and will be reflected by the improvement in profitability in the second half of the year. Prioiting in France, a beneficiary of lower energy costs, continues to make good progress. Under 10 per cent of its business is for Liberty. The second half has got off to an encouraging start. Barring a disaster in the run-up to Christmas, Liberty should make £3.75 million pretax this year (1985-86: £3.5 million). In the longer term, the management is building up a business which reflects the group's quality image.

COMPANY NEWS

ELLIS & EVERARD: Group sales in the current year are nearly one-third up on last year, margins are holding up well and the annual meeting was held. THARSIS: Interim dividend at 2p. It will be paid on Nov. 4. Turnover: £2.59 million (£2.8 million). Pretax profit for the first half of 1986: £404,000 (£660,000). Earnings per share: 14.2p (22.7p). FINLAY PACKAGING: Six months to June 30, interim dividend 0.75p (same), payable on Nov. 3. Turnover: £4.63 million (£4.59 million). Pretax profit on ordinary activities: £408,000 (£385,000). Earnings per share: 3.08p (2.72p). ASSOCIATED BOOK PUBLISHERS: Interim dividend raised to 2.25p (2.1p) for the half-year to June 30. Turnover: £36.45 million (£31.66 million). Pretax profit: £2.21 million (£2.15 million). Earnings per share: 3.9p (3.8p). LOGICA: Dividend 1p (0.35p) for the year to June 30. Turnover (including related companies): £87.04 million (£62.28 million, adjusted). Pretax profit: £6.8 million (£5.01 million). Earnings per share: 10.07p (6.95p, adjusted). Prospects for continuing profitable growth are excellent, the board declares. At the year-end, net cash balances stood at £8.3 million, compared with a net overdraft of £11.9 million at the start of the year. GRESHAM TRUST: The trust has invested £125,000 in a new company, Kent Pharmaceuticals, which is controlled by Mr D. O'Neill, the managing director and three

Table with multiple columns listing various companies and their financial data, including shares, dividends, and earnings.

Specu appo... LONDON FINANCIAL... TRADITIONAL O... LONDON

Come 300th in this competition and you win a Concorde holiday. Just imagine what the 1st prize is.



British Airways The world's favourite airline.

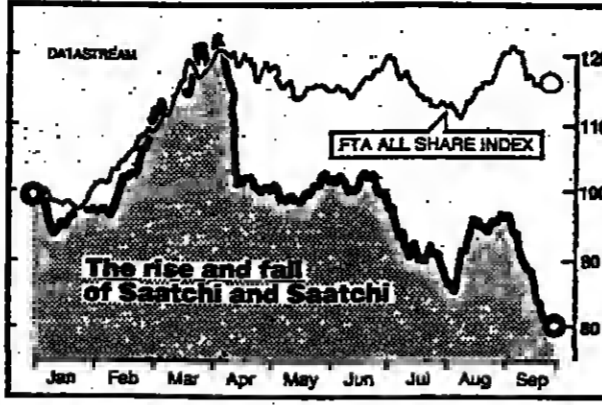
Fly with us from or within the UK any time in September or October and enter The Concorde Challenge.

STOCK MARKET REPORT

Speculation grows as buyer appears for Grand Met

By Michael Clark and Carol Leonard

Grand Metropolitan, the hotel, brewing and leisure group, was the centre of attention during after hours trading yesterday as one mystery buyer tried to bid over the odds for stock outside the market.



The rise and fall of Saatchi and Saatchi

holding of between 2 and 3 per cent. Charles Polley, a small jobbing firm, now part of Hoare Govett, the broker, was said to be in the market, buying all stock that came its way yesterday on behalf of Krikor Atkian, the broker and eventually the Barclays. No one at the Barclays London office was available for comment.

Wellcome eased 3p to 192p on further profit-taking. The company has just completed the acquisition of Fairfield American Corporation, which specializes in the marketing and sale of pesticides, in a deal worth about £8 million.

respectively, while BP put on 2p to touch 658p. Saatchi & Saatchi, the world's biggest advertising agency, rounded off what has been a miserable week for the group with a fall of 20p to a fresh low for the year of 585p. The shares have fallen 60p on the week.

There have also been internal problems which came to a head earlier this week with the resignation of Mr Robert Jacoby, the chairman and chief executive of Ted Bates. Those institutions who decided to support Saatchi's £400 million rights issue this summer are now becoming increasingly concerned about the recent course of events, having seen the shares slide from a peak of 936p.

Whitbread has got a near-16 per cent stake in Buckley's, while Britania Assurance accounts for a further 11.1 per cent. At the last count, there were several smaller holdings, including one built up by Fiske & Co, the broker, on behalf of its clients, amounting to 7.4 per cent.

COMMENT Kenneth Fleet

The long view at the end of the Tunnel

A combination of French persistence and bankers' tolerance effectively saved the Channel Tunnel from running into the sands of Kentish lobbying and almost total indifference throughout the rest of Britain.

Having secured the loan finance, Eurotunnel yesterday bravely set out projected returns until the year 2041. By then, on a gaggle of assumptions, pretax margins will be running at around 80 per cent, a dividend of £200.68 per unit will be paid and the average net return to shareholders will have reached 17.7 per cent.

It is all guesswork, if informed guesswork. A safer projection is that by 2041 most of the fund managers now deciding whether to subscribe for the £200 million placing will not be around to claim they were misled.

Remember all those oil companies which came to the market in the early 1980s with their healthy discounted future revenues? And that was pitching only 15 years ahead.

Privatization now on sale

Privatization is becoming Britain's new export industry. A wide array of governments have looked at the Thatcher experiment and seen that it works. They have seen also that the City of London has built an unrivalled expertise in handling the complex details of restructuring capital, arranging relationships between government and company and, especially, marketing the shares to every kind of investor.

Neither way, the importance of these contracts lies in the scale and intended speed of the French privatization programme. St Gobain is first to go. Thereafter, Paribas and other financial companies are scheduled. There is, however, a long list including the oil company Elf-Aquitaine, which met City interests earlier this week.

RECENT ISSUES

Table listing recent stock issues with columns for company name, issue size, and price.

RIGHTS ISSUES

Table listing rights issues with columns for company name, issue size, and price.

LONDON FINANCIAL FUTURES

Table showing London financial futures data including 3 month sterling, 3 month Eurodollar, and US Treasury bond.

FOREIGN EXCHANGES

Table showing foreign exchange rates for sterling spot and forward rates, and other sterling rates.

TRADITIONAL OPTIONS

Table showing traditional options data including First Dealings, Last Dealings, and Last Declaration.

MONEY MARKET AND GOLD

Table showing money market and gold data including base rates, clearing banks, and discount market loans.

LONDON TRADED OPTIONS

Large table showing London traded options data with columns for series, call/put prices, and various dates.

FREE PRIZE DRAW

Advertisement for a free prize draw offering £500 in just six weeks, with details on how to enter and terms and conditions.

FREE TRIAL ORDER

Advertisement for a stock market guide offering a free trial order, with details on the guide's content and subscription information.

ASSET UNIT TRUST MANAGERS table with columns for Bid, Offer, and Chng %.

ALLOTTED UNIT TRUSTS table with columns for Bid, Offer, and Chng %.

BALLET OFFERS table with columns for Bid, Offer, and Chng %.

BANKING FUND MANAGERS table with columns for Bid, Offer, and Chng %.

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EUROPEAN FUND MANAGERS table with columns for Bid, Offer, and Chng %.

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UNLISTED SECURITIES table with columns for High, Low, Company, Price, and Chng %.

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INVESTMENT TRUSTS

INVESTMENT TRUSTS table with columns for High, Low, Company, Price, and Chng %.

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FINANCIAL TRUSTS

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COMMODITIES

COMMODITIES table with columns for High, Low, Company, Price, and Chng %.

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The prices in this section refer to Thursday's trading. Ex dividend, Cum dividend, Cash stock, etc.

COMMODITIES table with columns for High, Low, Company, Price, and Chng %.

STOCK EXCHANGE PRICES

Dull end to account

ACCOUNT DAYS: Dealings began on September 15. Dealings ended yesterday. Contango day Monday. Settlement day October 6. Forward bargains are permitted on two previous business days.

Portfolio Gold - From your portfolio card check your eight share price movements. Add them up to give you your overall total. Check this against the daily dividend figure published on this page. If it matches you have won outright...

Portfolio Gold - DAILY DIVIDEND £4,000 WEEKLY DIVIDEND £16,000. Claims required for -16 points for +110 points. Claimants should ring 0254-53272.

Table with columns: No., Company, Group, Gain or Loss. Lists various companies like McAlpine (Alfred) Building, Roads, Ford Motor, etc.

Table with columns: MON, TUE, WED, THU, FRI, SAT, SUNDAY. Weekly Dividend section.

Table with columns: High, Low, Mid, Gross, Net, Div, PE. BRITISH FUNDS section.

Table with columns: No., Company, Gain or Loss. SHORTS (Under Five Years) section.

Table with columns: No., Company, Gain or Loss. FIVE TO FIFTEEN YEARS section.

Table with columns: No., Company, Gain or Loss. OVER FIFTEEN YEARS section.

Table with columns: No., Company, Gain or Loss. UNDATED section.

Table with columns: No., Company, Gain or Loss. INDEX-LINKED section.

Table with columns: No., Company, Gain or Loss. BREWERIES section.

Table with columns: No., Company, Gain or Loss. BUILDINGS AND ROADS section.

Table with columns: No., Company, Gain or Loss. FINANCE AND LAND section.

Table with columns: No., Company, Gain or Loss. CHEMICALS, PLASTICS section.

Table with columns: No., Company, Gain or Loss. CINEMAS AND TV section.

Table with columns: No., Company, Gain or Loss. DRAPERY AND STORES section.

Table with columns: No., Company, Gain or Loss. ELECTRICALS section.

Table with columns: No., Company, Gain or Loss. E-K section.

Table with columns: No., Company, Gain or Loss. FOODS section.

Table with columns: No., Company, Gain or Loss. HOTELS AND CATERERS section.

Table with columns: No., Company, Gain or Loss. INDUSTRIALS A-D section.

Table with columns: No., Company, Gain or Loss. INDUSTRIALS E-K section.

Table with columns: No., Company, Gain or Loss. S-Z section.

Table with columns: No., Company, Gain or Loss. L-R section.

Table with columns: No., Company, Gain or Loss. MINING section.

Table with columns: No., Company, Gain or Loss. MOTORS AND AIRCRAFT section.

Table with columns: No., Company, Gain or Loss. NEWS PAPERS AND PUBLISHERS section.

Table with columns: No., Company, Gain or Loss. OIL section.

Table with columns: No., Company, Gain or Loss. SHIPPING section.

Table with columns: No., Company, Gain or Loss. OVERSEAS TRADERS section.

Table with columns: No., Company, Gain or Loss. PAPER, PRINTING, ADVERT'G section.

Table with columns: No., Company, Gain or Loss. PROPERTY section.

Table with columns: No., Company, Gain or Loss. SHOES AND LEATHER section.

Table with columns: No., Company, Gain or Loss. TEXTILES section.

Table with columns: No., Company, Gain or Loss. TOBACCOS section.

Vertical text on the right side of the page, likely containing additional market data or news snippets.

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SECOND ABBEY BES SYNDICATE
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The Syndicate has been formed with the intention of investing in a spread of qualifying BES companies by the end of the current tax year.

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To find out how you can join the Second Abbey BES Syndicate, complete and return the coupon to us today. We will send you a copy of the Fund Memorandum, applications to subscribe will be accepted only on the basis of the terms and conditions set out in it. The minimum subscription will be £3,000 and the maximum £40,000; subscriptions will remain open until 28 February 1987.

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*as % of net cost to investors

The higher your tax bracket, the higher your tax relief, but even for a basic rate taxpayer, the effective subsidy is worth 41% of the net outlay (the above figures do not allow for the initial charge of 5% plus VAT, on which there is no tax relief).

The Second Abbey BES Syndicate has been set up under the 1983 Finance Act for the tax year 1986/87. Managers: Hodgson Martin Ventures Limited, Licensed Dealers in Securities, 4A St Andrew Square, Edinburgh EH2 2SD. Sponsors: Abbey Unit Trust Managers Limited, a subsidiary of Abbey Life Group plc, 80 Holdenhurst Road, Bournemouth BH8 8AL.

This advertisement does not constitute an invitation to subscribe to the Fund; subscriptions may be made only on the basis of the terms and conditions set out in the Memorandum describing the Fund.

★ SEND FOR MORE DETAILS NOW ★

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Please send me a copy of the Memorandum inviting participation in the Second Abbey BES Syndicate.

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Abbey Unit Trusts

Keep your eye on the boss's BES cut



John Spiers: 'BES managers have got away with it'

INVESTMENT

If you are thinking of putting some money into a Business Expansion Scheme fund one of the factors you should take into account is what the managers of the fund will be taking by way of remuneration.

Because of the practice of BES fund managers taking options in the companies they choose for the funds, potential BES investors run the risk of seeing their investments diluted.

Even worse, they might end up with a fund where the managers' interests in making money for themselves does not coincide fully with making money for their investors.

Funds that are giving managers this right are the Cave 1986-7 Fund, the Second Abbey BES Syndicate and the Sixth Alpha Business Expansion Fund.

Whichever type of options the managers take they pay nothing for them. It is also standard practice for the managers' options to be exercisable at the same price as the fund has paid.

So if the fund had bought shares in a company at £1, the options normally give the managers the right to buy shares at £1 for, say, the next 10 years.

John Spiers, of stockbrokers Greenwell Montagu, thinks managers ought to take their slice of the cake in the form of a percentage of the amount realized on disposal of the investments - rather than share options.

Moreover, the investors in the fund should get a first slice of the uplift all to themselves before the managers qualify for any profits.

"The venture capital managers: all use this method," says Mr Spiers. "The BES fund managers choose options because so far they have found that they can get away with it."

The net effect of all this is that there is considerable potential for watering down the investments in the fund where the managers have the second type of option giving them rights to a substantial chunk of a company at a fixed cost.

"There is no justification for options to be linked to the size of the company rather than the fund. They should be ruled out of court," says Mr Spiers.

"There is definitely a potential conflict of interest with options of this kind. The

The managers' options will be part of the package agreed with the company

Share options come in one of two forms. Sometimes the prospectus will say that the managers will be entitled to take options in the target companies of up to a certain percentage of the amount which the fund itself has invested.

Of the BES fund issues currently on offer, Johnson Fry and Castleforth chooses this route.

Watch out, however, for the second type of option. Some funds will stipulate that the managers are entitled to take a percentage of the target company.

The investors would still be showing a loss on their gross cost of investments, but the managers, who have taken a large option as a percentage of the successful company, will be showing a handsome profit. After all, they do not lose money on the five failures - they simply do not exercise their options.

It is certainly worth bearing in mind that managers who have the right to take options will be negotiating with potential target companies on behalf

of themselves as well as the fund.

Their options are, therefore, going to be very much part of the financial package to be agreed with the company.

A little generosity with the fund's money could mean a better deal for the managers on the size of the options they get and the period over which they can exercise them.

Peter Underhill, a director of Capital Ventures, which manages the Cave Fund, defends the policy of taking options as a method of remunerating managers.

Capital Ventures' own options are a percentage of the company - and, of course, they can take their options at a price below that at which the investors buy shares.

Mr Underhill says: "We keep our own directors' charges at a low level and take our real reward on the options. We take the vast majority of our options at the same price as investors, but the right to go in at less means that we can be flexible on the fees."

He agrees that the system of managers taking options does lead to conflicts at the negotiating stage.

However, he thinks that the idea of fund managers taking a percentage of the amount realized on disposal is legally and administratively unworkable, because individual participants in the fund have to receive their shareholdings after five years.

He says: "It's a good idea but it would not work in reality. The fund would have to retain control over the shares which it cannot legally do and then it would be impractical to chase individual participants for the managers' share of the profit."

Lawrence Lever

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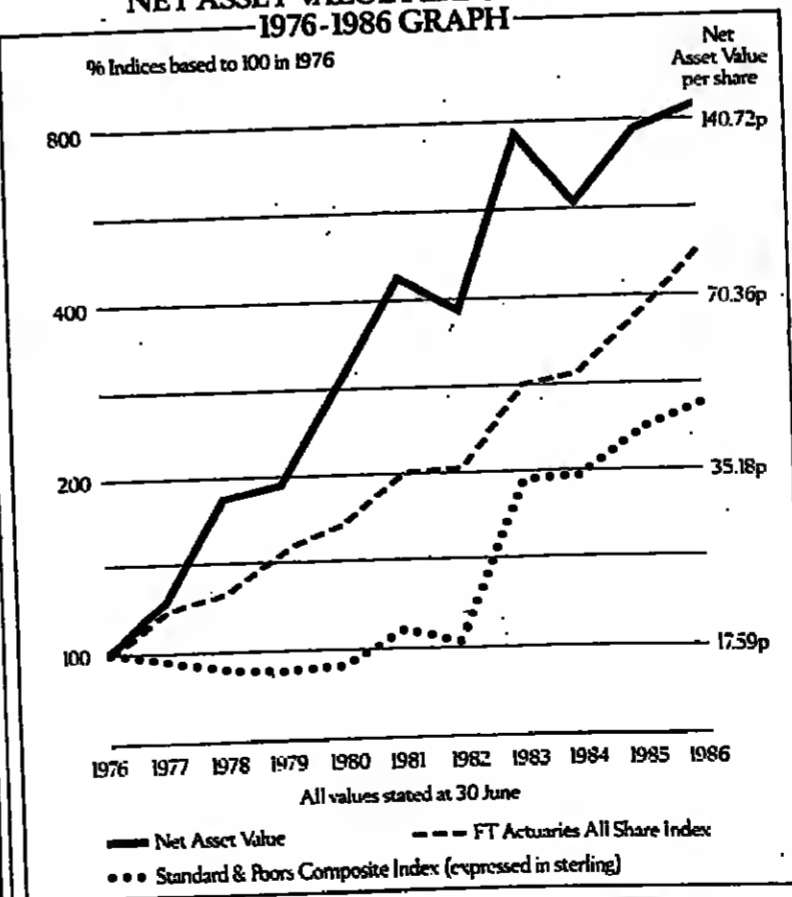
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We believe that the fall in the Dollar against Sterling is largely over and that the United States will increasingly be seen as an attractive area for UK based investors. Reflecting this, Atlantic has positioned the portfolio with 80% of its investments unhedged in North America.

In addition, the tax reform proposals currently being considered by the U.S. Congress will constitute a major positive factor and in the long term, should be extremely beneficial for the economy and hence stockmarket values.



Mr. John M. Menzies, Chairman 22 September 1986.

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FAMILY MONEY/2

The new shareholders' new problem

TSB

The Trustee Savings Bank share subscription lists closed on Wednesday with riot police and crash barriers to hold back the crowds.

The crowds, however, failed to materialize, and the mounted police were left to feed sugar lumps to their horses.

But the issue itself has attracted a record number of investors, exceeding even the heights scaled by the British Telecom issue. Then more than 2.3 million people subscribed for shares, the latest estimate from the TSB is that more than five times the target number have submitted applications.

That means about five million people have applied for less than £1.5 billion worth shares. Clearly, there are not enough shares to go round, and anyone who has applied without priority status — through the medium of the famous pink slip — cannot be sure of a share.

Lazards, the bankers to the issue, and the TSB management met last night to decide how to allot the goodies to the eager millions. It seems certain that there will be a ballot to decide who gets what.

Lazards handled the sale of the last tranche of Britoil, when most people received no more than £100 worth of shares. There was then a minor outcry at the more or less desultory holding doled out to applicants.

A mere £100 stake in a company is hardly a significant shareholding, and many took the tiny allocation as a cue to "stag" the issue, that is, they sold straightaway and made a quick £20 or so on their shares.

For its part, the TSB is making it very clear that it does not welcome the stags and will go to some lengths to discourage them. It looks a racing certainty that applicants without priority status will be balloted to sort out the few who will receive the coveted TSB shares.

Share ballots, of course, are different from the industrial secret ballot. These ballots have nothing to do with democracy and everything to do with luck. They are no more than a drawing of lots. How the lottery is to be

arranged is anyone's guess. A recent popular issue was Abbey Life, which was heavily oversubscribed in the way that the TSB already is — the latest guess is that there are roughly £12 billion chasing the not quite £1.5 billion shares.

The Abbey Life allocation was worked on the basis that those who made bigger applications stood more chance of receiving some shares. The TSB might conceivably be carved up on that basis.

But what then would have happened to the "people's share" of which the TSB chairman, Sir John Read, spoke so warmly earlier this month?

The Government does not receive any of the money from the TSB, and the issue is not therefore a privatization. However, the courts have ruled that the Government does in fact own the bank.

It would carry a clear political message to many unsuccessful applicants if they were told that because they did not have enough money their chances of obtaining a stake were jeopardized. For the Government these sales are supposed to be means of luring voters, not alienating them.

The TSB has decided to encash all priority status cheques, plus the "smaller" non-priority cheques — a £2,000 cheque would be classified as a smaller cheque. It seems reasonable to assume that the smaller investor will be favoured over the larger.

The situation is now sharply polarized between those with priority status and those without. The certainty of obtaining shares with the pink slip seems doubly valuable when set against the uncertain lottery which non-priority applicants must face.

Before the news of the probable lottery leaked out applicants could say with some confidence that they had backed a winning horse but did not know how much they had won, and what the odds were — anyone who does not think the shares will start out at a premium is welcome to sell them to the writer, who will buy as many as are offered at 80p.

Now, non-priority applicants can only say that they know they have backed a winning horse, they still do



It was all too much: TSB share application sorters found five million people chasing £1.5 billion worth of shares



not know the odds, and there is the extra worry that the clerk of the course might just decide that their bet is void for not being drawn out of a hat.

More than 5,000 people are working through the week-end on an allocation whose details are as yet an imponderable. The only certainties are that no one will be entirely happy with the result, and the shares will be spread thinly among millions.

So what happens if you do not receive any shares? You have probably been reading and hearing till you are thoroughly sick of it that the TSB

Stockbrokers have clear valuations

shares represent a unique investment opportunity — you and five million others.

Should you go out and buy the shares in the market on the first day of trading, which, assuming the allocation is decided quickly and goes smoothly, should be October 8?

The stockbrokers and analysts in the market have fairly clearly defined views on how much the TSB is worth. "At 80p the TSB is good value. Anything over 90p is a bit expensive," says Malcolm Roberts, of brokers Montagu Loeb Stanley.

Mr Roberts compares the TSB with the Scottish banks,

Royal Bank of Scotland and Bank of Scotland. By comparing the dividend — the income which shares will provide — with the price, brokers seem to have decided that 80p to 90p is the benchmark price for early dealing.

The right to hold shares had been changing hands in the unofficial "grey" market at more than 100p, or double the paid price. But that was last week. Since then the grey market, which is a good test of investors' expectations since they back their judgment with money, has been drifting down.

Julian Gordon, of stockbrokers Greig Middleton, also looks to the Scottish banks as a point of reference. By comparing share price with expected yield Mr Gordon calculates that the TSB will fetch something between 77p and 100p.

His advice to those with very few shares is to go into the market and "do a little evening up". He says: "If you wanted, say, 1,000, and got just 200, it might be worth going in and buying 800 at market value. The 200 you have will mean that you hold the 1,000 quite cheaply."

Mr Gordon believes that those who receive no shares at all should think very carefully before splashing out and paying the premium, depending, of course, on how large it is. Mr Roberts is marginally

more optimistic: "Provided the initial premium isn't terribly high, we see the TSB as an issue which might well build in the way that a successful issue like the Wellcome Foundation managed to start well and build on its initial success."

Not surprisingly, Derek Stevens, finance director at the TSB, is positive about the long term prospects: "We have five years' protection from takeover, and that means that we don't have to do things which look good in the short term but don't do much for us over a longer period."

Argument for long term is strong

"Over the past 18 months we managed a 22 per cent return over net assets. With the capital raised by the issue we shall start off with returns at about 14 per cent, but will be looking to build back up to where we were by investing judiciously in areas such as technology."

The argument in favour of a long-term hold must be strong, especially because of the bank's "clean" operation.

Analysis like the high-tech efficiency with which services are dispensed, while the fact that the TSB has no portfolio of rather dodgy South American debts like the big four clearers is another reason for

investors to sleep a little easier.

For those who receive shares, the choice must be between stalling, thereby making a quick and probably rather small profit, and buying a more worthwhile holding.

The market has a surprisingly clear idea of the price at which purchases should be made.

Those who are unsuccessful cannot, of course, make any quick killing. Yet the arguments in favour of going shopping in the market still remain substantial.

This method of investment is certainly a long-term strategy, however. Brokers point to the fact that the institutional investors, such as pension fund and unit trust managers, will have very few shares and will be virtually forced to buy into the TSB.

But they will probably bid their time, as they did with British Telecom, and take their holdings when the price has dipped "oo a dull day". There can be no guarantee of making a profit on shares bought in the market.

The TSB, of course, wants to make life difficult for the stags. Most people intending to make a quick gain face a choice between a small profit on their allocation, and taking a straightforward commercial risk on a well priced share bought in the market.

Martin Baker

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Advice to the unwary abroad in the City, or

WHY THE METEOROLOGICAL OFFICE SHOULD BE STAFFED BY GIRAFFES.

THE sun blazed down on the scorched savannah. The dry grass rustled like sandpaper in the hot breeze. Overhead, the sky was porcelain blue. But the giraffe was donning a sea-green sou'wester. A sunbathing lion

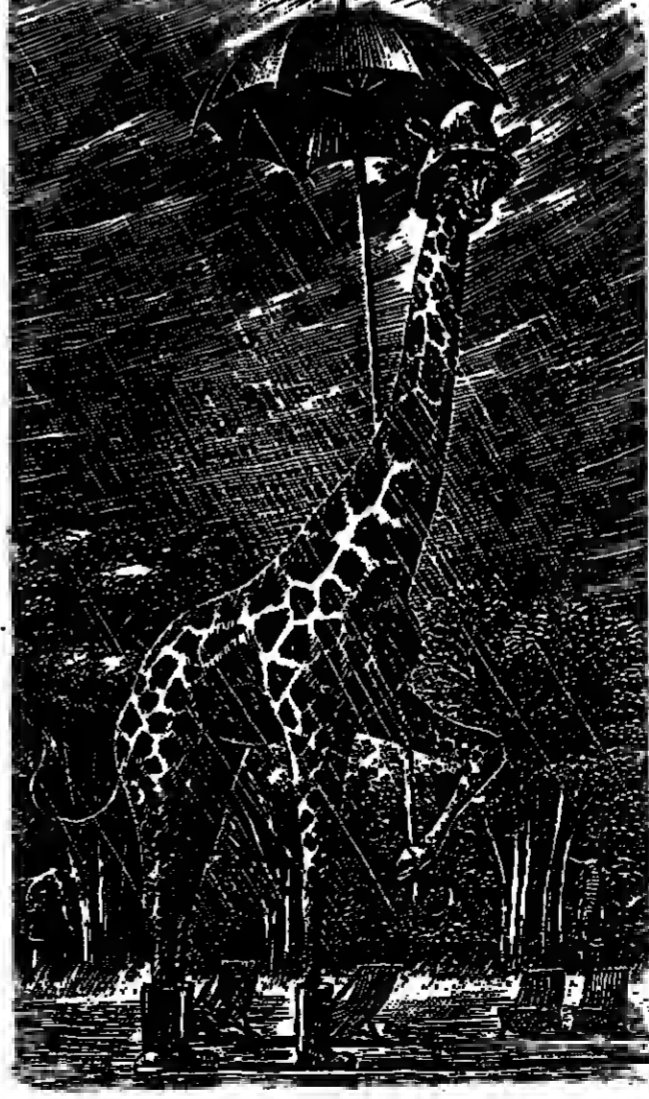


opened a quizzical eye and started to roar with laughter. A pack of hyenas cackled hysterically. Undeterred, the giraffe tugged on his wellington boots, one, two, three and four.

Gnus nudged each other, whispering and giggling. The giraffe pooh poohed their jibes and unfurled a sober black umbrella. Still, the other animals broiled in the sun. Elephants sported smart new trunks. A

long-legged camel shyly adjusted the bikini top on her humps. But the giraffe was studying the skies. And, sure enough, a little black cloud came scudding

in from the west. Then another. Then another. Until at last the sky above was as black as ink. With a violent crack, the clouds split open. The sunbathers were bathed in a torrent of rain. As they scurried for cover, awash with



mascara and suntan oil, the giraffe reflected on the benefits of being the tallest animal of all. From his lofty vantage point, he'd been able to see the clouds gather on the horizon.

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Even age has its compensations

PENSIONERS

When an 80-year-old film star was asked if she regretted anything in her life, she answered: "Yes, that I'll never be 60 again." So say many of the country's 10 million pensioners - but not all of them.

Because of good financial planning and a company pension scheme, some are able to please themselves how they spend their days. Others are not so lucky. They may be ill or lonely, have suffered bereavement, or made no provision for their old age.

Fifty per cent of retired "singles" and more than 30 per cent of couples rely on state pensions and social security benefits for 75 per cent of their income. One-third of the over-65s live alone; two-thirds of the disabled are over retirement age; and 40 per cent of pensioners receive means-tested supplementary benefits to ease their poverty.

That number excludes the 25 per cent of pensioners who, according to the DHSS, are entitled to a supplementary pension but do not claim it.

Those whose enjoyment of the golden years is impeded by ill health or poverty can find help from organizations such as Age Concern, which campaigns on behalf of the elderly

and provides services for them with the help of 120,000 volunteers.

Commercial organizations too offer discounts and concessions to older customers. These "perks" eke out small incomes and beef up everyday living. Even the Inland Revenue grants a tax concession in the form of the age allowance.

Subsidized services for the elderly vary from area to area. They usually cover leisure, travel and financial "bargains". Before looking for these, however, check with your local DHSS office to make sure you get the pension and other rights to which you are entitled by virtue of your age and past contributions.

If you have not paid National Insurance contributions and have savings of less than £3,000, you may qualify for supplementary benefit, even if you own your own home. Or you can get assistance for rent and rates. Inquire at council offices.

Libraries and Citizens' Advice Bureaux give out leaflets and information about facilities for the elderly in every area, including cheap or free educational courses.

Various "perks" and rights for pensioners are listed below in an A to Z fashion. Some, including the age allowance, are statutory. Others depend

on the demands for local authority funds and the generosity of volunteers.

● **Age Allowance:** Over-65s get an increased personal allowance of £2,850 for single people and £4,505 for married couples. This is reduced by two-thirds of income over £9,400, and lost altogether when income exceeds £10,173 for a single person or £10,675 for a married couple.

● **British Rail issues two Senior Citizen Railcards.** One at £12 cuts a third off Saver tickets, a half off cheap day returns, a half off standard day returns and a third off standard singles and returns. There are also reductions on Golden Rail holidays. The £7 Senior Citizen Railcard gives a half off cheap day returns.

● **Until May 1987, holders of both cards can also get cut-rate London Underground tickets** after 9.30am Monday to Friday and all day at weekends and on public holidays. An extra £5 from holders of either Railcard buys the Rail Europ Senior Card giving cheap sea crossings, and a 30 to 50 per cent discount on most European railway fares.

● **Christmas bonus of £10.**
● **Cinemas:** Special price reductions usually early in the week on sight of pension book.
● **Day centres and clubs for**

entertainment, handicrafts, television and sports: Croydon in Surrey has around 40 luncheon clubs offering meals at varying charges from 50p to £1. In nearby Sutton, prices are around 85p. Essex has 600 clubs for varying needs. Salford in Greater Manchester has its brass band and Shropshire its choir festival, while bowling is popular in Kent.

● **Deedstare:** Keep £1 outstanding on your mortgage and the Halifax Building Society will look after your title deeds free (not only for pensioners).

● **Department of Health and Social Security: Form FB2, Which Benefit?** for list of entitlements; SBI for supplementary benefit application.

● **Dial-a-Ride (community transport):** Telephone 01-961 3770 and 01-965 6439 for certain areas around London, serving disabled people at cheap rates. In Havering, east London, housebound people can be collected and taken to day centres. In the west London borough of Kensington and Chelsea, volunteers learn to manipulate wheelchairs, and help the elderly housebound.

● **Dry cleaning:** Personal garments at various shops at reduced rates.

● **Ethnic elderly:** Pakistan Welfare Association in Nelson, Lancashire, provides mutual support and company. In Leicester there is help in neighbourhood work with the ethnic elderly.

● **Education:** Cheap or free day and evening courses. Inquire at the local library or education offices. Only 2 per cent of pensioners use educational facilities.

● **Flying Relations in Canada?** Wardair makes a £20 reduction for pensioners on fares to Toronto from several English airports, including Stansted and Manchester but not Gatwick. British Caledonian offers return flights to Jersey for £65 (maximum stay three months). Bookings can be made by telephone (01-668 4222); Dan Air gives 30 per cent discount on domestic flights, for example, Heathrow to Inverness.

● **Hairdressing:** Cheap rates at some salons, mostly Mondays to Wednesdays, for men and women.

● **Home help:** For the infirm or ill; doctor's recommendation may be necessary.

● **Holidays:** Several small local authorities offer subsidized "breaks". Tower Hamlets in east London has spring and autumn holidays at Clevedon Court, St Leonard's-on-Sea and Strathearn Hotel at Southsea, near Portsmouth. The cost of full board for pensioners is £34. Bookings for March and April must be made on October 1 at specified venues in the borough, or from October 2 to 14 at Cheviot House, Commercial Road, London E1. Hammersmith and Fulham also has cheap holidays for pensioners.

● **Insurance:** Age Concern (60 Pitcairn Road, Mitcham, Surrey CR4 3LL) offers insurance

against theft from gas and electricity meters and theft of household possessions.

● **Jogging:** Fun runs at St Helens, Merseyside, swimming galas at Doncaster, West Yorkshire, dancing at Sunderland, Tyne and Wear, and Hammersmith, and keep-fit for young retired at Barrow-in-Furness, Cumbria.

● **Kosher meals for Jewish pensioners** available in some parts of London.

● **Library services:** Home visits for people unable to get to a library because of disability or infirmity; large-print editions available.

● **Meals on wheels:** Check with local authority. Sunderland delivers 90,000 meals to frail pensioners yearly. Sutton serves 500 on a four-day week basis with voluntary help, plus weekend meals for "high-risk" elderly.

● **National Express:** Men and women over 60 get 33 per cent discount on standard adult fares.

● **Prescriptions free for all pensioners.**

● **Pop-in centres (Age Concern):** Lewisham and Peckham, south London, for snack meals, coffee, sandwiches; and at Drop in, Milton Keynes, Buckinghamshire, and Blackburn, Lancashire.

● **Retirement pension leaflet NP32 for rent and rate rebates:** inquire at the local authority treasurer's office.

● **Security chains and door viewers** through Manpower Services Commission in North Humberside and East Yorkshire at cost of materials only.

● **Sports:** All kinds from bowls (Kent), badminton and darts to swimming, whist (Ongar, Essex) and dancing (Ware, Hertfordshire).

● **Sheltered housing in association with housing associations and local authorities or voluntary and church groups.**

● **Telephones:** Not much help yet for the elderly from British Telecom. Local authorities have limited obligations in law to help with the installation of a telephone for pensioners who can demonstrate a need, but interpretation of that duty varies. Southwark in London and Sutton operate for some pensioners a portable alarm system, triggered off when a button is pressed so that help comes to someone who has a fall or is taken suddenly ill.

● **London Underground travel free after 9.30am daily** and London buses at any time. Apply for pass at post offices.

● **Voluntary homes for residential care:** Ask the organization to negotiate with the DHSS office if you cannot pay the full charges.

● **Warmth in winter:** Free leaflet (Health Education Council) and heating help in retirement.

● **Your Rights** is a useful booklet costing 90p published by Age Concern covering all pensioners' rights, and much more.

Jennie Hawthorne



The time to take it easy: much is now offered to make life more comfortable for the elderly



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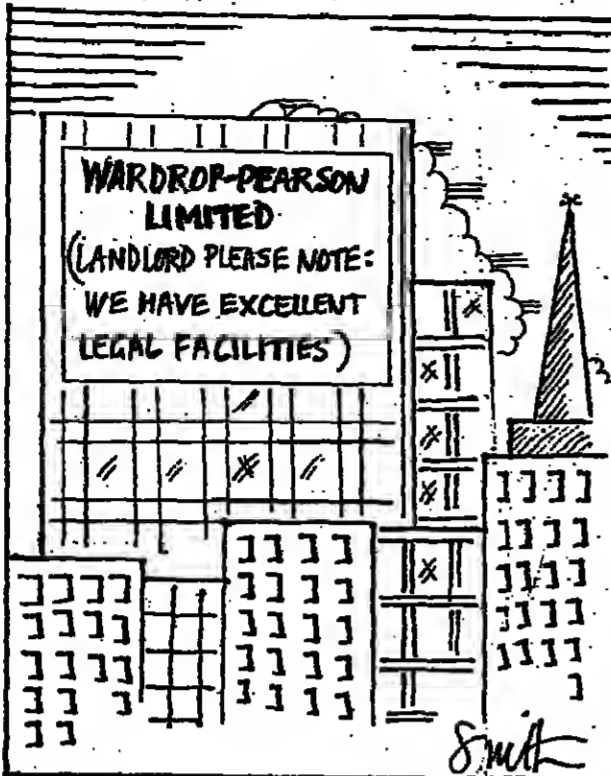


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Difficult tenants
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FAMILY MONEY/4

Difficult deals for tenants who trade



TENURE

Thousands of small businesses are at risk of losing the security of tenure granted in the 1954 Landlord and Tenant Act, thanks to a little-publicized Court of Appeal ruling at the end of last year.

The case involved a couple called Christina, who took an assignment of a lease of premises at 20 Montpelier Vale, in Blackheath, south London, into their personal names so that they could trade from there. Later they incorporated into a limited company to carry on the business, but they kept the lease in their own names.

The company then went into liquidation but they set up another in its place and, once again, it was the company which traded from the premises. The lease expired in September 1983, by which time the business had been carried on in the name of one company or the other for nine months.

As tenants holding the lease, Mr and Mrs Christina applied for a new lease under the 1954 Act. But their landlord claimed that by trading through the medium of a limited company, they had lost their rights under that Act. The county court judge and the Court of Appeal agreed with him.

The Act specifies that renewal rights are given only to a tenant who occupies the premises for the purpose of his business. The Christina's landlord successfully argued that it was their limited company and not the couple themselves that occupied the Montpelier Vale premises and that it was the company's business, and not theirs, that carried on there.

on a business "through a company", but that is not recognized in law. The stumbling block was an ancient court ruling dating from 1897, which held that a company was a separate legal entity from its shareholders and that its business did not belong to the shareholders.

That rule was applied strictly in the Christina's case and they were deemed to have no legal entitlement under the Landlord and Tenant Act.

The property solicitor Philip Freedman says the decision may affect innumerable businesses where the lease is held in the names of individuals who carry on business through a limited company. "Astate landlords will be investigating this when leases come up for renewal, and tenants should seek legal advice if they are in this situation," he said.

There is an anomaly, he says, in that the Act specifically protects groups of companies where one company holds the lease and another trades from the premises, although that does not apply to companies whose shares are owned by private individuals holding the lease in their own names.

There may be ways round the problem with carefully documented arrangements. But the only real solution is legislation. Ironically though, as Mr Freedman is to point out in a forthcoming issue of Rent Review and Lease Renewal Journal, the Government - self-proclaimed champion of small businesses - has recently expressed satisfaction with the workings of the Act and has said it will not be changing the law.

Frances Gibb
Legal Affairs Correspondent

Small, but with hopes of £30m

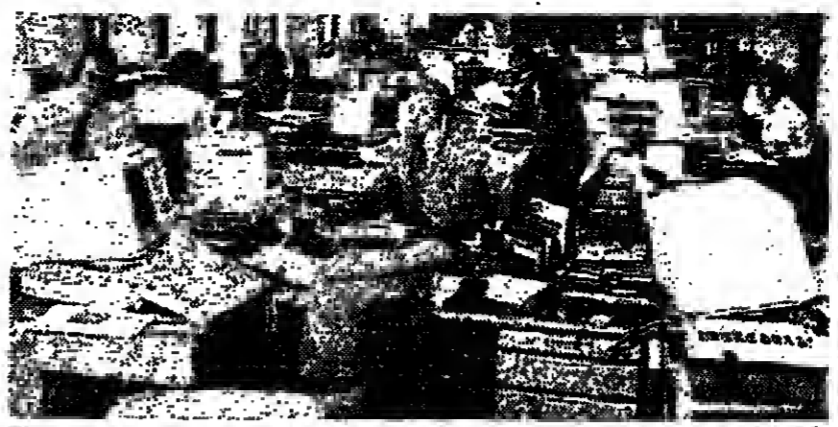
"We've launched the small companies unit trust because quality management is small," says Trevor Pullen, of Prudential Portfolio Managers. The Holborn Small Companies Fund will, it is claimed, outperform the market on the way up and will be slower on the way down. There is another school of investment philosophy that projects a sharper downturn than average for small companies in a falling market. Up to a quarter of the fund may be invested in the Unlisted Securities Market. Income is payable twice yearly or can be automatically re-invested to buy more units. The minimum investment is £1,000, with further tranches of £200 or more possible. Unit price is fixed at 50p until October 17. There will be no discount to the initial charge of 5 per cent. The annual charge is 1 per cent. Mr Pullen will be "disappointed" if the fund does not attract at least £10 million. He hopes for as much as £30 million.

Super for expats

Building societies continue to go international. The Surrey Building Society has produced an account for British citizens not resident in Britain. More than 20 societies are now aiming at the expatriate market. The minimum investment in the Super Plus Overseas Account is £250, with a maximum of £105,000. The annual percentage return is 11.65 per cent. This will of course be paid without deduction of income tax. Details: Surrey Building Society, 218 High Street, Dorking, Surrey RH4 1QR.

More units

Yet more unit trusts. Gresham Unit Trust Managers, the investment arm of Gresham Life, have produced two funds to increase the range of choice still



Fidelity Unit Trust Managers seem to be taking client service more seriously than most. They are spending a considerable sum of money on a telephone advisory service (at work, above). They are out of pocket by "more than a quarter of a million, including setting-up costs", according to the managing director Barry Bateman.

A team of 16 investment advisers will be available from 9am to 5pm on weekdays, and 9am to 6pm on Saturdays and Sundays. They will provide advice on

a broad range of investment topics. Mr Bateman says: "The group has made a long-term investment. We are not necessarily looking for a short-term payoff."

Part of Fidelity's investment is its free telephone line for callers - 0800 414161. Innocent inquirers should, however, remind themselves that the return on Fidelity's investment will be their purchase of unit trusts. No one is doubting the quality of the advice, but callers should remember who is giving it.

Further, the International Income Trust is expected to provide a yield of 5.5 per cent from bonds and shares around the world, while the North American Growth Trust will aim at maximum capital growth by committing to the United States and Canada. The unit offer price for both funds is 25p. The minimum investment is £500, with larger sums attracting a modest bonus. Details: Gresham, 2-6 Prince of Wales Road, Bournemouth BH4 9HD.

After inflation

Inflation is dead, long live controlled price increases. If you fancy investing in what Audley Twiston Davies, of F&C

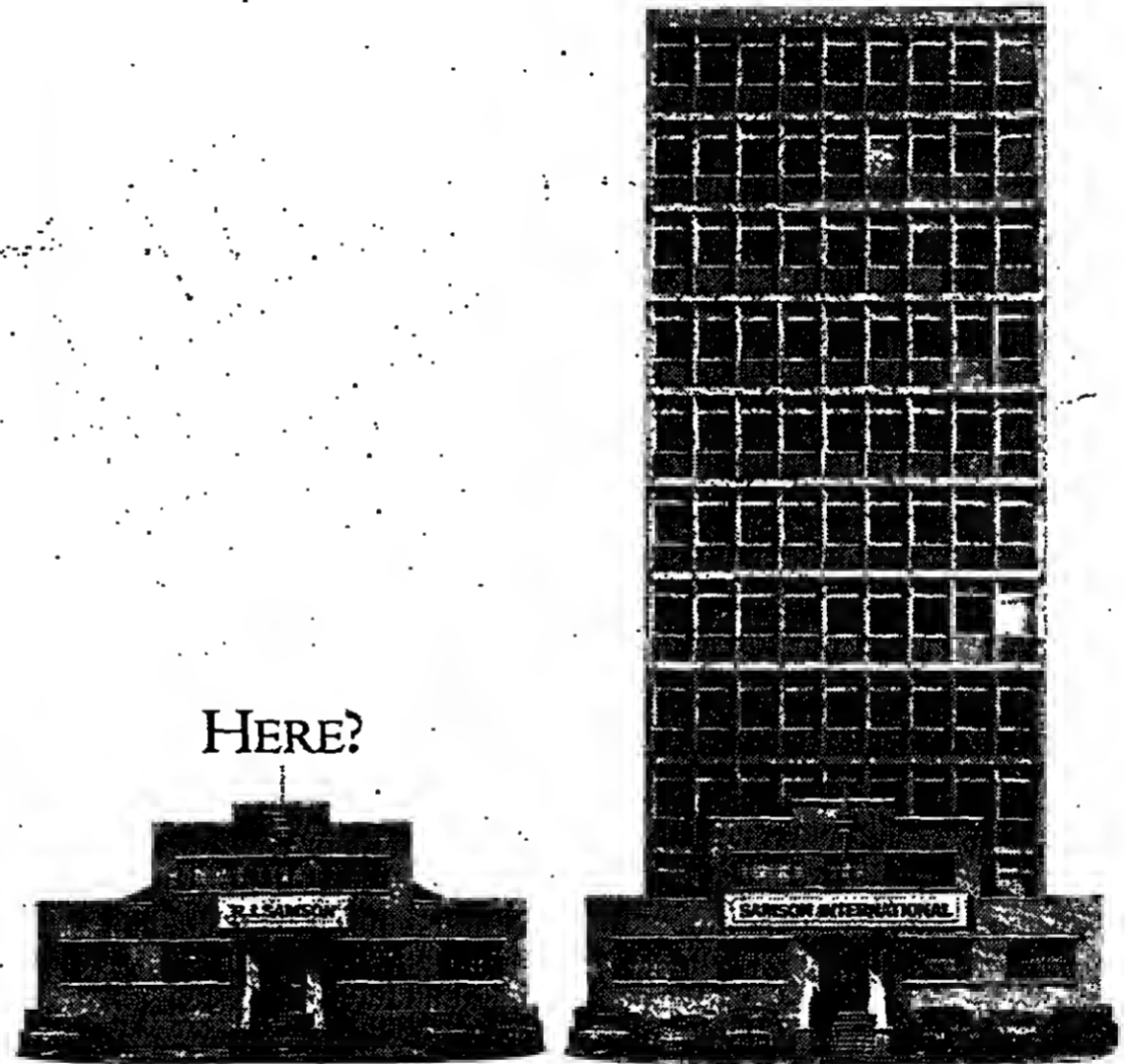
Unit Managers calls "the death of inflation", its financial unit trust may be for you. Some might say, however, that inflation is far from dead. Money from the fund will go to financial institutions all over the world, including the TSB. Mr Twiston Davies says: "We might well attract failed TSB applicants, being failed TSB-ers ourselves." Charges are standard at 5 per cent initially and 1 per cent annually. The minimum initial commitment is £500, with bonuses for subscriptions of £2,500 or more.

Details: F&C Unit Management, 1 Laurence Pountney Hill, London EC4R 0BA.

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winners is something Prudential has made a habit of in the past.

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If you'd like a stake in our new Holborn Small Companies Trust, nothing could be easier.

To buy units at the initial price of 50p just complete the coupon.

Or you can buy them directly over the phone by ringing our LinkLine number below, between 9 am and 5 pm weekdays or weekends. You need only pay when you receive the contract note. This offer must close on the 17th October 1986.

Admittedly our Holborn Small Companies Trust is still in its infancy, but as we've already pointed out, isn't that the best time to invest?

It's sometimes hard to remember that Habitat was once just a one-off store in London's Fulham Road.

That Saatchi and Saatchi was a four-man creative consultancy as little time ago as 1970.

And that Amstrad was started with the preposterous idea that a British company could make money from electronics.

Yet look at them now. All hugely successful businesses that have rewarded investors who shared their faith with handsome returns, to put it mildly.

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WILL MAKE THEM RISK YOUR FACE

PROSPER

Hidden costs of a council house divorce

Divorce is an expensive business and many couples usually have no choice but to sell the former matrimonial home and divide what is left of the sale proceeds.

As a result of a recent decision in the High Court, one couple, Thomas and Caroline Barrett, had the amount of their sale proceeds reduced by £10,000, and thousands of other divorcees are likely to be in a similar financial predicament.

Mr and Mrs Barrett married in March 1984. In October 1984 they bought their rented council house from Rushmoor Borough Council. Under the right-to-buy legislation, council house tenants are entitled to a discount off the market value of their home. Mr and

transferred from one spouse to the other.

The matrimonial solicitor Peter Gros, Hodge, of Speechley Bircham, said: "It is a manifestly correct decision. It does indeed sound fairly hard, but I cannot see how the judge could have come to any other conclusion."

Another solicitor, Pauline Walker, of Payne Hicks and Beach, agrees: "What the judge said makes sense. It is difficult financially to set up two homes, but some people would query whether a council house purchaser morally should be entitled to take the discount to rehouse themselves."

According to the Department of the Environment, the court's decision is completely in line with the department's understanding of the rules governing pay-back of the discount.

But some solicitors would query the department's interpretation of the rules and the way local councils are carrying them out.

A spokeswoman from solicitors Tanner and Taylor, who brought the case, said: "In this case, Rushmoor Borough Council asked for the discount back. But we were indirectly involved in another case with similar circumstances, with East Hampshire District Council. At first they said they could not accept the discount. I contacted Rushmoor and told them of the view of the neighbouring authority. The two authorities put their heads together and East Hampshire then changed their mind. They said the discount was repayable."

East Hampshire District Council argues: "Initially we wrote to the people concerned on the basis that it seemed to be an exempt disposal. But then Rushmoor drew our attention to the Department of the Environment interpretation, and we asked the solicitors to pay the discount back. The solicitors said, 'No.'"

"But we finally agreed that if the Rushmoor case succeeds we will be asking for the money back."

A firm of solicitors in the Midlands is locked in battle



with a local council on the same point. A solicitor involved explained: "The council have now landed everyone in the car. We were most careful to check with them before contracts were exchanged and they appeared to agree that the sale was exempt."

"But they have now changed their mind and they want repayment of the discount of about £2,000. We took a barrister's advice and she agreed that the discount should not be repaid. We are still arguing with the council."

The arguments about repaying the discounts on divorce are likely to continue for some time, not least because Tanner and Taylor have decided to take their case to the Court of Appeal.

"In the meantime, all council home purchasers should soon benefit from changes in the law. The Housing and Planning Bill reduces the time period for repaying discounts from five years to three. The Department of the Environment said: "The Bill should receive Royal Assent at the end of October and the provisions should be in force in December."

Susan Fieldman

How your home can pay off your bills

ANNUITIES

Just in case you thought the financial world was remote and had absolutely nothing to do with real life, consider this. Elderly home owners can attain higher income because of the weakness of the pound on the foreign exchange.

There have been few buyers of special government fixed interest bonds, or gilts, recently.

This is partly because many people expect interest rates on deposit accounts to stay as high as they are or go even higher.

Higher interest rates tend to make gilts less attractive for rather dull, technical reasons.

Another factor driving gilts down has been the weakness of the pound, which puts foreign investors off buying most things denominated in sterling.

And for yet more rather boring technical reasons, when the capital market value of a gilt goes down the effective

yield increases. Buyers are paying out less money for the same fixed return.

So where do the elderly home owners come in? Most elderly people with a house can take out a mortgage and use the money to buy a special income-producing contract called an annuity. Almost all insurance companies have a wide variety of offers.

The annuity's income should pay off the mortgage debt and provide the home owner with extra cash every month. This is especially useful if pension provisions are less than adequate.

But annuities are worth doing only provided the income they generate is sufficient to pay off the interest on the mortgage with plenty left over to spend.

When you purchase the annuity your income will normally be set at a certain level for as long as you live, so the rates offered at a given time make all the difference for future prosperity.

The connection is that many managers choose to buy things such as gilts to make sure that they can pay out the income on the annuities they offer.

Norwich Union has just raised the rates it offers on annuities because of the increased yields on gilts, and the sustained returns they have been making on commercial mortgages and debentures — both are simply obligations to pay debt.

Who said that the financial world was remote from reality?

Martin Baker

The best policy for your mortgage

If you have a mortgage you probably have two significant investments. Apart from the house, which investment client tells us is the most significant investment most individuals ever make, borrowers with endowment mortgages have the contract — normally a special sort of life assurance contract called "with-profits" — which should pay off the loan at the end of the term.

The incentive for borrowers is that there should also be a profit which they can collect themselves. But which life policy should you choose from the hundreds available?

In order to assess what is on offer, it is important to understand the basic mechanics of a with-profits policy. Quite simply, the company issuing the contract guarantees to pay, in return for the premiums paid, a minimum sum which, depending on the company's profits, may be boosted from time to time by bonuses.

There are two types of bonus — reversionary and terminal. Reversionary bonuses are added either annually or every three years, and a terminal bonus is declared on the maturity of the policy.

So, assuming that the policy is not encashed ahead of schedule, you should receive a total maturity value made up of the guaranteed sum plus any reversionary or terminal bonuses applied.

Naturally, every investor wants the maturity value to be as high as possible. To date, there have been two easy ways to judge which company is likely to produce the best results. One relies on past performance and the other is based on future projections.

The use of past performance figures, however, will shortly assume far greater significance because the calculation of future projections (or illustrations, as some companies prefer to call them) is the subject of some controversy and is likely to be changed.

The primary reason for the unrest is that future projections given to anyone taking out a contract now are based on current reversionary and terminal bonuses. However, these bonuses are at a historically high level, reflecting the high inflation rates and accompanying high investment return enjoyed by life offices in the past 10 years.

But the economic climate is changing, and it looks as though the future may bring us lower inflation coupled with lower returns on investment.

In order to take into account such developments, ground rules for the calculation of future projections are

going to be established under the Financial Services Bill. However, in the meantime, the members of the Life Insurance Council of the Association of British Insurers have come up with some interim measures.

Consequently, with effect from November 1, life offices, when illustrating future benefits, will not be allowed to show an investment return of more than 13 per cent per annum before tax, or 10.75 per cent per annum net of tax.

The upshot of this, of course, is that it will be more difficult for any one company to stand out on the basis of its future projections. From the investor's point of view, however, this is hardly a major setback. In the end, it must be preferable to have expectations which are based on realistic or even conservative assumptions.

In terms of assessing which company's contract to use, these changes mean that the

WITH-PROFITS ENDOWMENTS	
25-year policy effected on male 30 next birthday	£
Standard Life	13,481
Friends' Provident	12,991
Clerical Medical	12,787
Scottish Widows	12,619
Norwich Union	12,467
Scottish Amicable	12,386
Sun-Alliance	11,888
Scottish Life	11,668
RNPF for Nurses	11,381
Equity and Law	11,352
15-year policy effected on male 30 next birthday	£
Tanbridge Wells Equitable	4,979
Friends' Provident	4,874
Scottish Widows	4,864
Standard Life	4,798
RNPF for Nurses	4,699
Scottish Amicable	4,621
Equitable Life	4,618
Clerical Medical	4,418
GNE	4,278
Norwich Union	4,240

Source: Financial Services

for a 25-year contract, a number would have paid less than £7,500.

Of course, there is no guarantee that the first-runners of 1986 will still be heading such league tables when your policy matures in several years' time. Nevertheless, past performance figures do give an indication of the investment team's ability. Moreover, the remarkable consistency shown by some companies is bound to inspire confidence.

Taking the top performers in the 25-year endowment category shown in the table, Clerical Medical, Equity and Law, Norwich Union, Scottish Widows and Standard Life have all appeared annually in the top 10 for the past 10 years.

Turning to the 15-year endowment policies, we see a similar unbroken record achieved by Equitable Life. And of the other top companies this year, several have reached the first 10 at least five times since 1977.

It is also worth mentioning that back in June companies were still quoting future benefits based on current high bonus rates.

Interestingly, of the offices offering the 10 highest maturity values, only three appeared in the top 10 for past performance.

So when it comes to choosing a policy, it can certainly pay to look at the company's track record.

Amanda Fardoe

'It is a manifestly correct decision'

Mrs Barrett received a discount of £12,650.

The document transferring the property from the council to them contained the usual clause that the discount would have to be repaid if they disposed of the property within five years. The amount that has to be repaid by a purchaser reduces on a sliding scale.

In December 1985 Mr and Mrs Barrett were divorced and in February 1986 the court, with the couple's consent, ordered a sale of the matrimonial home, with the proceeds of sale to be divided equally.

The house was sold in April 1986. The council demanded repayment of the discount, which was then £10,120. Mr and Mrs Barrett argued that their sale fell within one of the exemptions to the pay-back provisions, and they did not have to repay the discount.

Mr and Mrs Barrett lost the case. In simple terms, the judge said the exemption from paying back the discount was not intended to apply where there was a sale of the matrimonial home. It was designed for the situation where one of the spouses remained in occupation and the ownership of the matrimonial home was

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Somportex	19p	189p	+887%
Ashley Industrial	14p	89p	+528%
A-C Cars	25p	125p	+392%
Tozer Kemsley	26p	115p	+342%
British Benzal	11p	83p	+654%
Unigroup	14p	120p	+757%
Spencer Clark	35p	172p	+391%

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FAMILY MONEY 6

The manager may be the man for your trust

INVESTMENT

It may be autumn, but for unit trusts it is springtime. Though consumers may not be aware of it, that almost imperceptible subterranean rumbling is the sound of unit trusts multiplying.

There are already more than 930 to choose from, and that figure is likely to exceed 1,000 by next year.

The sheer range of funds makes many investors reluctant to choose. Will it be Australian Gold Shares, Japanese Second Sector, High Growth or the staid old UK General?

As the world's stock markets swing and fluctuate even more crazily than usual, it requires an expert's confidence to know where and how to invest. Perhaps you would be better advised to follow the managers of the unit trusts, who are themselves supposed to be experts.

Following a unit trust manager is the equivalent of backing the jockey rather than the horse. Many a punter made a killing by following Lester Piggott.

But the analogy with horse-racing takes us only so far. Nijinsky could probably have won many a race with a sack of potatoes on its back, whereas, according to one investment adviser, "a unit trust is only as good as the manager - it is the manager who selects the stocks and decides when to sell".

How then are we to decide between the unit trust managers? It seems, from the advertisements that every management group can indulge in its own bout of chest-beating. The hype of the copywriters underscores the "top performers" of the managers. How can this be?

The answer lies with the categorizing of unit trusts, which are split into 15 sections by the Unit Trust Association. The idea is to compare like with like - the Japanese Technically fund obviously is not running the same race as the Australian Gold Shares - but this produces a misleading manager's delight. Instead of just one winner, there are 15.

The table may help you to appraise the claims of the various managers just a little more critically. The figures show how a hypothetical investment of £100 would have performed if invested in every one of the groups.

Better than with a building society

An investment of £100 would have performed if invested in the "average" unit trust run by every one of the groups.

The table is "weighted" so that the figures show how the managers have performed with the money given to them as opposed to a straight arithmetical calculation of percentage gain or loss.

For example, if one group has an American fund which is up by 10 per cent over the year and a UK fund which is down 10 per cent over the year, the percentage gain and loss balance each other. But if the American fund was £100 million at the start of the year and the UK fund was just £10 million, the managers will have gained £10 million in the United States and lost £1 million in the UK.

These "weighted" figures reflect that fact. They measure how well the managers have done with the money entrusted to them by the public in a hypothetical average trust which does not exist.

The figures are, in effect, a financial version of the parable of the stewards. What counts is how the managers have done with the talents entrusted to them.

Not all managers run exactly the same range of funds. Some of the smaller managers

have only two or three trusts. So the table compares only the biggest players who offer a wide range of funds touching most markets and industrial sectors around the world.

They range from M&G with £2,254 million managed in 26 funds, to Edinburgh Fund Managers, with £153 million spread across eight unit trusts.

Plaudits over the long term go to Perpetual, Framlington, M&G and GT, while Fidelity, Schroder and GT have succeeded in sustaining their strong performances during the past year by featuring in the top 10 over five years.

Those at the bottom end of the table can console themselves with the thought that their investors have done far better than they would have with a building society.

Standard Life, whose single fund is included because of its huge size (£323.2 million), would say that despite its position as 26th of the top 30 over one year the fund was the best performer over three years.

Martin Baker



Mining for gold in Australia, one of the investments covered by the great range of trust funds

UNIT TRUST GROUP MANAGEMENT

£100 invested as at September 1, 1986

Table with columns for One Year, Five Years, and Ten Years performance for various unit trust groups. It is divided into 'THE BEST' and 'THE WORST' sections.

* Prices are offer to bid Source: Planned Savings

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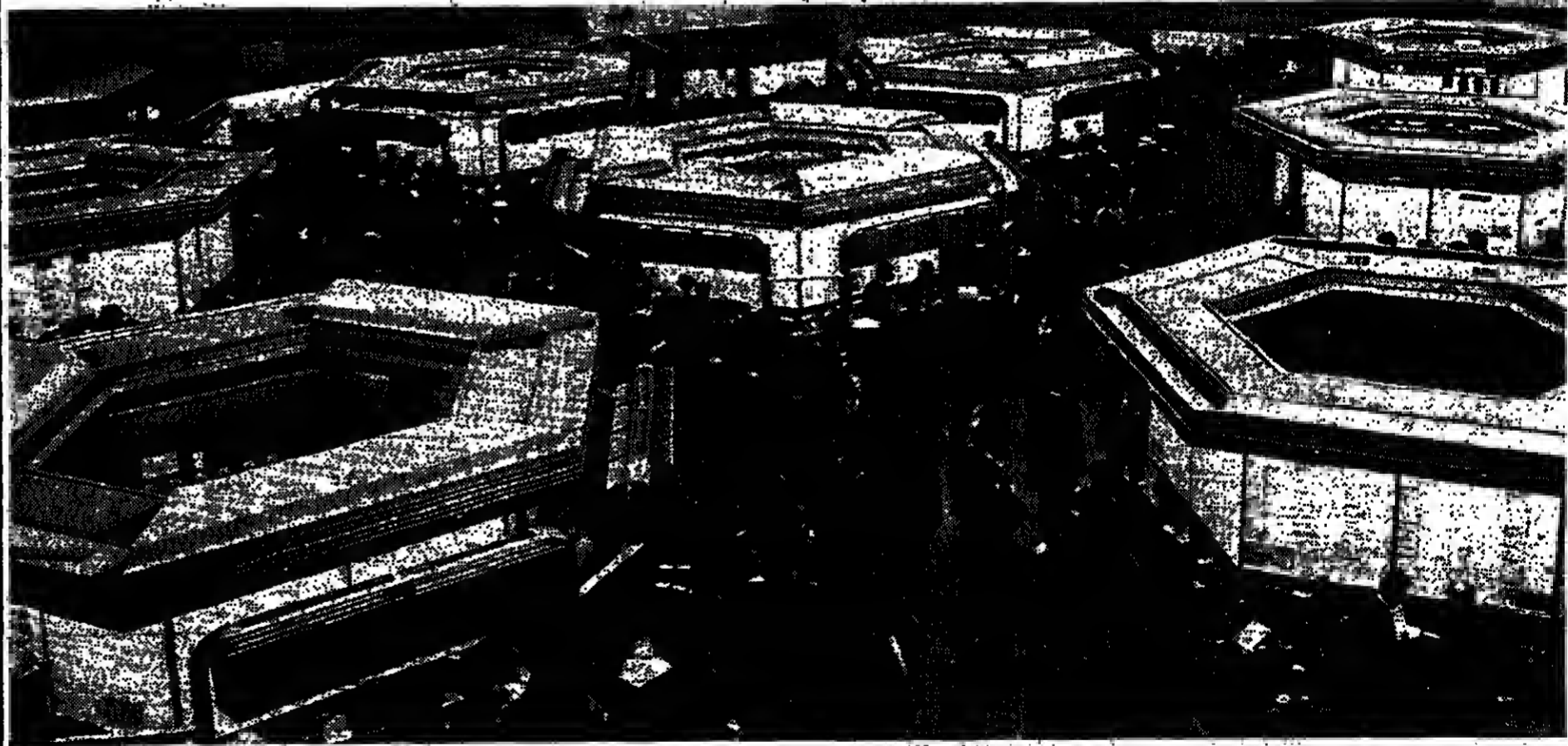
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The 1989 incentive

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Investors who commit their cash in chunks of £1,000 will receive interest at the ordinary share rate, currently 5.25 per cent, plus a guaranteed bonus of £100 for every £1,000 left in at the end of three years.

If interest rates do not change in that period, as likely as Britain having a rain-free summer, the yield in 1989 would be £1,268. That works out at a net interest rate of around 8.5 per cent.

So is this account, with its loyalty bonus and good investment?

If interest rates rise over the next three years it may not be. It may well be that money should be earning higher rewards elsewhere rather than languishing in an ordinary share account, even with the jinx at the end of the term.

However, if interest rates fall the guarantee of £100 per £1,000 invested will be difficult to beat.

Withdrawals can be made, in units of £1,000, without interest penalty at any time. But withdrawals will not qualify for the bonus.

MB

99% of unit-linked personal pension policies will cost you dearly. Here's one that won't.

Unit-linked personal pension policies can be a first class investment. But you may have to pay a high price to meet the insurance company's costs or commission to an intermediary. Some will cut your investment by as much as 50% in the first year, or even in the first two years. Others will apply the first year or two years' contributions to 'initial' or so called 'capital' units which bear high charges year-on-year. If you increase your contributions, then the same charging process is applied to the extra money you have decided to pay. But unlike the others, The Equitable has no policy charges, no 'initial' units, and no 'capital' units to eat into your investment. What's more The Equitable offers additional bonus units to those who save at least £500 a year. And our management charges are commendably low. So with The Equitable your money has a head start. Couple it with high tax relief and our investment record - and you have the most attractive route to financial security in retirement. One of the reasons our pension policies do not cost you dearly is that we do not pay commission. So please contact us direct on 01-606 6611 or send the coupon.

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FAMILY MONEY/8

Topping up for that retirement

PENSIONS

If life were perfect, we might all retire at 35 or so, preferably with the odd million to keep us in comfort through the years ahead. For most of us, however, the reality is that we soldier on to 60 or 65, with only a pension to look forward to.

This being the case, it would be comforting to feel that the pension, when it finally arrives, will at least be adequate. Those 11 million people in Britain who belong to a company pension scheme may think they need have no worries on that score. Unfortunately, though, this confidence is not always justified.

The Inland Revenue rules allow a maximum pension of two-thirds of final salary. In practice, few people receive as much as that, and some finish up with nearer one-third.

This is because pension entitlements are usually based on years of service with the employer. For example, the company may offer one-sixtieth or one-eighth of final salary for every year. If it is one-sixtieth, it would take 40 years — practically a working lifetime — to achieve the maximum two-thirds, while at one-eighth this can never be reached.

Of course, many people do not stay in the same job for 40 years. If you change jobs, any pension rights you have acquired can be preserved in your old company scheme, to be paid when you retire. But these will, of course, be based on your salary at the time of leaving.

To improve the position of early leavers, the Government last year made it compulsory for such preserved benefits to be revalued every year in line with inflation. However, this applies only to benefits ac-

rued since January 1, 1985. Entitlements which accrued earlier may still be "frozen" in value. Moreover, if increases will be to a maximum of 5 per cent a year, your preserved pension is not going to match up to your final salary.

Fortunately, there is a solution to this problem. You can top up your company pension by making what are known as additional voluntary contributions, or AVCs for short.

The name is more or less self-explanatory. Such payments are made at the employee's own discretion, and in addition to any compulsory contributions required by the company scheme.

The Revenue allows an employee to contribute 15 per cent of his taxable earnings to a pension scheme. Compulsory payments, where required, are typically of the order of 4 to 8 per cent and this may not include any earnings from overtime, bonuses or fringe benefits, all of which count towards salary.

The fund itself is exempt from tax

So most people should have plenty of scope for making AVCs.

The advantage they have over other forms of saving is in the tax treatment.

First, AVCs qualify for full tax relief at your highest rate. This means that a contribution of £100 would cost only £71 of post-tax income if you are a basic rate taxpayer, and less still if you are liable at higher rates.

Secondly, the fund in which AVCs are invested is itself exempt from tax, as are other types of pension fund. This will make a considerable difference to its rate of growth. If



£100 is invested for an annual return of 10 per cent after 25 years it will be worth £1083.47. If only basic rate tax is deducted from the interest, the figure falls to £555.57 — just over half as much.

Like most good ideas, AVCs do have their drawbacks. The main disadvantage of any pension investment is that the money is effectively tied up until retirement.

Even if you change jobs, you cannot withdraw your contributions if you have been in the scheme five years or more. This period is to be reduced to two years under new regulations, as the Government wishes to discourage people from cashing in their pension nest-egg to spend in some less worthy manner.

Another point to remember is that once you start to pay AVCs, you will be committed to continuing them for at least five years, unless you retire sooner than that. Otherwise, contributions can be stopped only if you can prove extreme financial hardship. It is possible, however, to vary the level of payments subject to scheme rules.

The greatest restriction is that you can pay AVCs only if your company scheme offers

the facility. It is not possible to make contributions on an independent basis.

The investment of AVCs can, in fact, be something of a headache for company pension schemes. What to do with the contributions? If they are included in the same fund as the main scheme, it is difficult to identify every individual's contribution. On the other hand, a separate fund involves additional administration costs.

Significant inroads by building societies

A common solution is to set up a subsidiary fund within the main one, separately identified but subject to the same overall rules. Frequently, the AVC portion is placed with an insurance company, even if the main scheme is administered by the company itself.

More recently, however, building societies have started to make significant inroads into the AVC market. In fact, Abbey National is now the second largest operator in terms of premium income, although Equitable Life still has a considerable lead.

Given the choice, the young

employee may find an insured fund more attractive. With an underlying portfolio of stocks and shares, this is a more risky investment but it offers greater potential benefits in the long run.

Conversely, those closer to retirement may prefer the safer option of the building society. Most employees, however, will have no say as to how their AVCs are invested, unless the company finds it worthwhile to run more than one scheme.

Despite these drawbacks, you should certainly consider making AVCs if you can. Even if you expect to get the maximum possible pension, the company scheme may not include other allowable benefits, such as a spouse's pension, or a cash sum should you want it before retirement. In this case, AVCs can be used to provide what is lacking, and by highly tax-efficient means.

If your company scheme does not allow AVCs, you will get the opportunity in the future. Under the new pensions legislation, it will be compulsory for all occupational schemes to provide the facility.

Liz Walkington

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Banks battle for a share

PEPS

Whether we are interested in shares and share dealing or not, it looks as though the big banks are set to offer us a fulsome opportunity to become share-owning democrats.

Probably the biggest obstacles to wider share ownership are a limited understanding of what shares are — and the fact that they certainly do not double overnight like British Telecom and perhaps TSB — allied to the tortuous and expensive business of dealing in equities.

The Personal Equity Plan (PEP), announced by Nigel Lawson in this year's Budget, is specifically designed to promote wider share ownership. Since April it has been kicked around, if not to death, by investment and unit trust managers, the building societies and anyone else with a vested interest in selling financial goodies to the public.

The concern shown has perhaps been a little puzzling. PEPs, after all, will be of most benefit to those who already

have capital gains of more than their £6,300 annual individual exemption. There are not many such people around. A recent Gallup survey showed that only 1 per cent of the participants definitely intended to invest, with another 5 per cent indicating they would probably use PEP.

But competition among banks and building societies is such that "if one leads, the others tend to follow for fear of letting someone achieve a competitive edge."

Barclays Bank was the first to announce its intention to sell PEPs to the public. Its Barclaysshare subsidiary will attempt to popularize ordinary share dealing, but will start off by concentrating on PEPs. Now National Westminster is indicating that it too intends to be in the field when the starter's gun goes off next year.

According to NatWest, PEPs will be available in all its branches from January 1. The options available will include a monthly subscription into County Bank unit trusts of

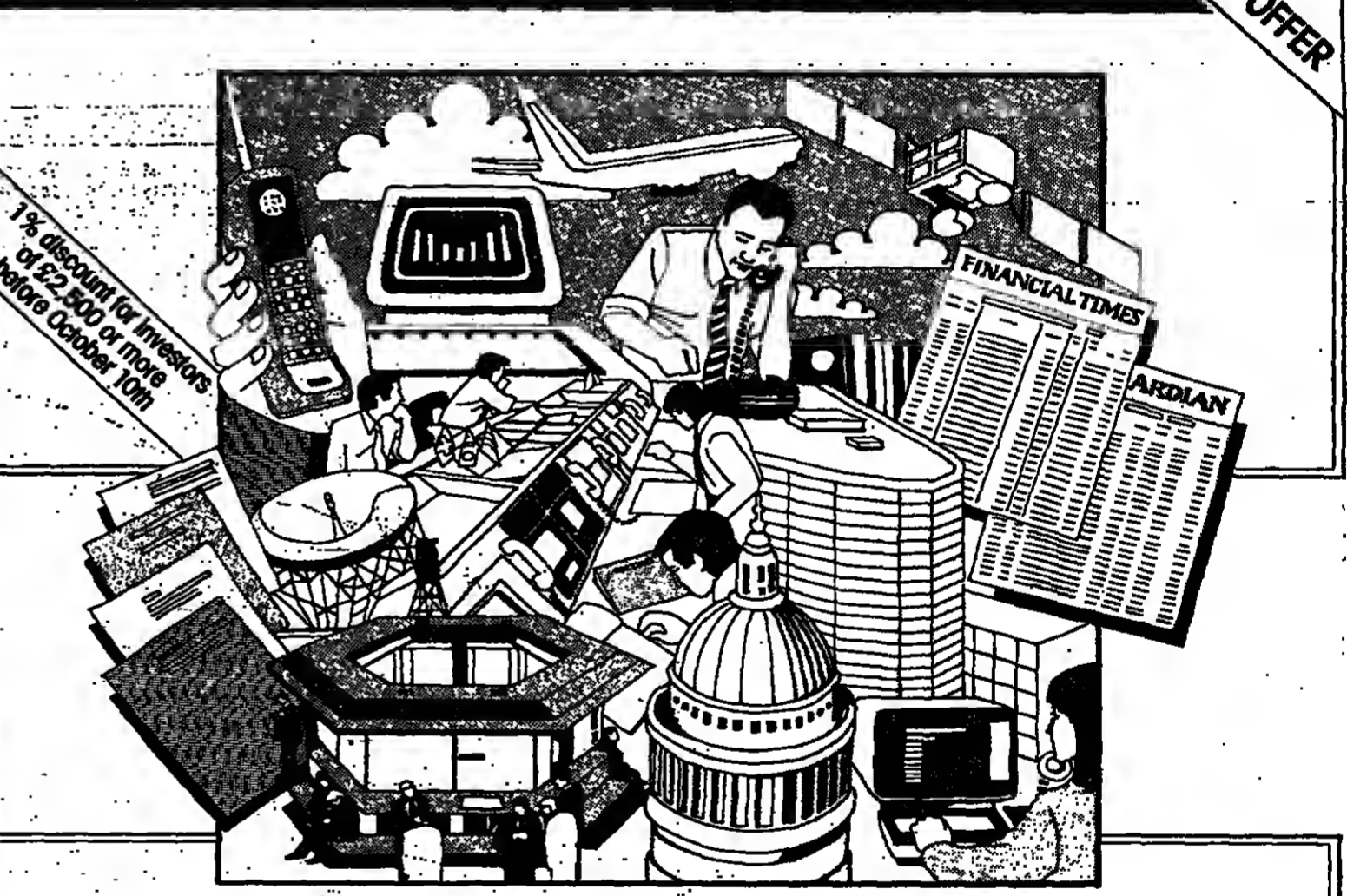
£20 to £30 a month. This plan will provide a small income tax break for customers in that the new units purchased will not be subject to tax as normal unit trust holdings are now. But by NatWest's own admission the scheme "is hardly going to provide a huge incentive to invest; we are marketing the scheme within the limits laid down by the Government."

Another option will be to make a monthly commitment of £36 to £200 into a managed discretionary PEP, which will in some respects be similar to a unit trust. The spread of shares, however, will be much narrower, and this route is inherently more risky.

Lastly, investors can place a lump sum — at least £1,200 but no more than the statutory maximum of £2,400 — with NatWest and specify the particular share or shares in which it is to be invested. Here investors are taking their financial life in their hands. This is only for those who know what they are doing.

MB

F&C Financials Fund



Provides an international portfolio in the most progressive market sector

F&C Financials Fund

The F&C Financials Fund is a unit trust authorised by the Department of Trade and Industry which is designed to give investors the opportunity to participate in the growth of the Financial sector worldwide. The fund will invest internationally in companies that are benefiting from the rapid changes in the financial markets. The estimated gross starting yield is 3% with dividend payments expected to increase each year. The potential for capital growth is substantial.

The trust is managed by F&C Unit Management Ltd, part of the Foreign & Colonial Management Group. The Group is responsible for investments worth more than £1800 million. Founded in 1868, Foreign & Colonial Management Ltd is independent and manages money for a wide range of clients including Universities, Investment Trusts, Pension Funds, Foreign Institutions, Local Authorities, Charities and Private Clients. Investments are made in 33 countries on behalf of over 35,000 clients.

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General Information

The Trust is authorised by the Department of Trade & Industry and governed by Trust Deed.

Register: The Registrar is Manchester Unit Trust Administration Company Limited, 33 Finsbury Street, Manchester M2 2AF.

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Unit Prices: Prices and yields are published daily in the Financial Times, Daily Telegraph and The Times.

Income Distribution: Income will be distributed on 31st March and 30th September each year. The first distribution will be 30th September 1987.

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Japan	29%	USA	9%
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How to Invest

Read the general information following and then complete and post the coupon together with your cheque for the amount you wish to invest. Investors are reminded that the price of units, and the income from them, can go down as well as up.

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Please send me your detailed fund brochure Yes No

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I have read the general information and I agree to invest. Each person must sign. (Please do not sign if you are under 18 years of age.)

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INTEREST RATES ROUND-UP

Banks Current accounts - no interest paid. Deposit accounts - seven days' notice required for withdrawals. Barclays 4.375 per cent. Lloyds 4.30 per cent. Midland 4.35 per cent. NatWest 4.375 per cent. National Girobank 4.35 per cent. Fixed term deposits £10,000 to £24,999: 1 month 6.75 per cent. 3 months 6.875 per cent. 6 months 6.875 per cent. (National Westminster); 1 month 6.725 per cent. 3 months 6.725 per cent. 6 months 6.725 per cent. (Midland). Other banks may differ.

1 month 6.87 7.09 0732 281181 QNAR - Compounded Net Annual Rate. Figures are the latest available at the time of going to press. Researcher: D. Stern

excluding holdings of other issues. Return tax-free and linked to changes in the Retail Prices Index. Supplement of 3.00 per cent in the first year, 3.25 per cent in the second, 3.50 per cent in the third, 4.50 per cent in the fourth and 6.00 per cent in the fifth. Value of Retirement Issues Certificates purchased in September 1981, £147.38, including bonus and supplement. August RPI 385.5. (The new RPI figure is not announced until the third week of the following month).

Local Authority Yearling Bonds 12 months fixed rate investments interest 10% per cent basic rate tax deducted at source (can be reclaimed by non-taxpayer), minimum investment £1,000, purchased through stockbroker or bank.

The cost of four-legged friends

PETS



It is not easy to balance the cost and rewards of keeping a pet. Those with pets and those without fight - at least verbally - like cats and dogs. Every species of animal offers the owner financial and emotional rewards, and whether the animals are worth it will depend on the individual's taste. More than 200,000 dogs are handed in every year to the police and 30 per cent at least are destroyed. They account for about 1,800 road accidents, and the death of 6,000 farm animals through the worrying of livestock. In this litany of complaints, the final sting comes in the tail with the fouling of paths, parks and public places.

When well treated and cared for, dogs give a friendship that matches or exceeds human company, yet demands far less. This relationship is shown at its best in dogs for the blind. The idea for a training programme for dogs started in Germany after the First World War. Dorothy Eustis, who saw and described the system, was asked to train a dog for a blind American, Morris Frank. The partnership became a success. The idea spread and the first British guide dogs went to their owners in 1931.



Table with columns: Fund Name, Net GMAR, Telephone. Lists various investment funds like Adams Monthly Inc., B of Scotland, Barclays Higher Rate Deposit Account, etc.

General extension rate for holders of earlier issues which have reached maturity is 8.01. National Savings Yearly Plan A one-year regular savings plan converting into four-year savings certificates. Minimum £20 a month, maximum £200. Return over five years 8.19 per cent, tax-free.

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Advertisement for Safeguard investment unit trust. Text: 'Which investment offers the potential of a top performing unit trust and guarantees that your original investment is secure? SAFEGUARD'. Includes an image of a safe and contact information for Gartmore.

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Vertical strip of various advertisements on the right margin, including 'ANGEL', 'ACHIEVE', 'Cancer', 'HOLIDAY', 'BROADSANDS', 'GARDENING', 'PROFIT', 'EQUINE', 'TREGILLY', 'DI', 'CLASSIC'.



PERSONAL COLUMNS

CRICKET

Torn covers catch India napping to delay Test match

From Richard Streeton, Delhi

A succession of heavy rainstorms, coupled with inadequate covering, prevented the second Test match between India and Australia from starting yesterday. Any hopes that rain would not be a problem were dashed by the rain which fell in the night, and the rain continued to fall in the morning. The rain was heavy and the ground was very muddy. The match was delayed for several hours. The Indian team was napping in the rain. The Australian team was also napping in the rain. The match was finally postponed until next week.

In one sense both the Indians and Australians in the present series are victims of the intense demands made by modern programming. In weather terms this Australian visit is about six weeks too early if the planners wished to miss any delayed moonson rain. It did, however, suit both countries to take the gamble and start the tour in the first week of September.

The Indians have an extraordinary season arranged. They will play 11 Test matches and 17 one-day internationals before the end of March as Australia, Sri Lanka and Pakistan tour. India are also committed to one-day tournaments in Sharjah in late November and next April. The thinking is to try and find new players for the World Cup, but the established stars will certainly be fired men in six months time.

The Australians were anxious for their new recruits to gain test experience before they meet England for the Ashes. The present crammed eight-week tour itinerary - with cricket or tennis every day and no rest days in the Tests was also the Australian choice.

They have an ingrained phobia about tours to the sub-continent since Australia's first full length visit to India and Pakistan, led by Victor Trumper in 1929-60. Trumper's tour was so stressful, he improved greatly since then, but Benaud's team were racked by illness.

Greg Thomas and Richard Ellison, shuffling off their appointments as being overbooked for the tour to Australia, will undergo special coaching sessions with Geoff Arnold, the former Test bowler, to help them regain their England places next summer.

Thomas, the Glamorgan fast bowler, and Ellison, the Kent all-rounder, believe Arnold, the former Surrey and England bowler, can provide the expertise to help them iron out flaws in their bowling technique. The coaching sessions, which will take place at the Oval from Monday to Wednesday next week, were the idea of Mickey Stewart, the Surrey cricket manager.

Stewart, who will be assistant manager on England's winter tour, said: "They've welcomed the idea, and, by and large, it is the first time something like this

Remedial coaching

has been done. Geoff Arnold is a splendid cricket coach, and it should be very valuable for them."

A love letter

Vivian Richards, the West Indies cricket captain sacked by his English county club, still maintains: "My heart belongs to Somerset." In a letter published in a Tamworth newspaper yesterday, Richards explained his decision to renew his contract, and that of his West Indies colleagues, John Garner, which split the club and led Ian Botham to threaten to leave the county unless both were reinstated. Richards, who considers he has many good years to offer as a player, said: "People have asked me why I do not just go away, leaving my heart belongs to Somerset."

RUGBY LEAGUE

Mansfield set to break new ground

By Keith Macklin

The game breaks new ground temporarily tomorrow when Mansfield Marstonians, who have been moved from pillar to post recently, play Fullback at the Meadow Lane ground of Nottingham Football Club. Mansfield were pioneers in north Nottinghamshire and now they test the market for Rugby League in the heart of the county. It is only a one-off match at the third division club's stadium, as Mansfield wait for improvements to their own ground.

HOCKEY

Bolland's last chance to stake a claim

By Sydney Friskin

England have a chance to put the final touch to their World Cup triumph when they play Canada at Bisham Abbey today and tomorrow, and against Australia at Picketts Lock on Tuesday. By that time, England will have played all the teams in Group B except India and Poland.

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THE WORLD FAMOUS PERSONAL COLUMN, INCLUDING RENTALS, APPEARS EVERY DAY.

Ajdal sparkles as Stoute's golden summer lingers on

Michael Stoute's golden year continued in brilliant sunshine at Ascot yesterday when the season's leading trainer landed a treble with Kabilya, Lisana and Ajdal, who is now the new favourite for next spring's 2,000 Guineas at 10-1.

Scotland may not find it so easy

Derick Grant, Scotland's coach, held a somewhat more pessimistic outlook on the back pitch at Murrayfield yesterday than is usual. He may have sensed a degree of over-confidence about his players as they approach today's international, sponsored by Toshiba, against France at Murrayfield.



Takalo, who can baffle Japanese again with his running, turned out 10 years ago to watch Japan but the Scottish club have not re-arranged their fixtures and the attendance may be thin.

England's problem is finding cover

England's selectors take their final look this weekend at candidates for the team to play Japan while Michael Weston, their chairman, will be at Murrayfield to watch the Japanese themselves. The team is due to be announced on Tuesday, after squad training at Solihull tomorrow, and since it has been no additions to the original squad of 40, it is reasonable to assume that England will draw largely upon that squad.

Astonishment as Austrian couple beat French pair

Richmond ice rink was buzzing with astonishment as the result of the St Ivel ice dance event on Thursday night. Officially, the Austrian couple, Kathrin and Christoff Beck, won the free dance and the overall title, with Sharon Jones and Paul Ashiam, of Britain, second overall and Isabelle Duchesnay and her brother Paul, the French couple, third.

Challengers with accent on change

When the English Squash Rackets Association invented the British under-23 closed championships back in 1975, there was not too much concern that the title might actually pass out of English hands.

Fouroux is under fire for not giving France a style

Disparaging comments about the French coach, Jean Fouroux, were heard in the corridors of the Stade de France yesterday. The "Petit Prince" is determined to make a royal comeback in a career which has been marred by a series of setbacks.

Yesterday's results

Table of racing results from Ascot, Redcar, and Worcester, listing race numbers, winners, and odds.

Gloucester v Bristol

Richard Williams, from Heath, plays scrum half for Gloucester despite an injury against Worcester. The match is expected to be a close contest.

Harlequins v Leicester

Chris Smith, the former Moseley centre, makes his debut for Harlequins, along with Hartman, who won a blue on the wing for Cambridge University last season.

Fulham's move is a surprise

Fulham have made an audacious attempt to take Gordon Davies, the Welsh international, forward back to Craven Cottage to a surprise deal which would do much to restore the confidence of players and supporters.

Chinese hold on to medals

Seoul (AP) - China, already holding well more than half the medals awarded to the Asian Games' first six days, collected three more on yesterday with triumphs by women sharpshooters and a woman diver.

Hadn puts himself out of reckoning

Auckland (Reuter) - Andy Hadn, the New Zealand All Blacks forward, chose his 36th birthday yesterday to announce that he would be unavailable for the forthcoming New Zealand tour to France next month.

Captains ruled out

Philip Matthews and Hans de Groede, respective captains of Ireland under-25 and the Canadian XV team that meet at Lansdowne Road this afternoon, have both been ruled out with leg injuries.

Today's course specialists

Table listing today's racing specialists and their performance records.

BASEBALL

Table of baseball game results and scores.

BASKETBALL

Table of basketball game results and scores.

BOXING

Table of boxing match results and scores.

MARKET RASIES

Table of market racing results and scores.

FOOTBALL

Table of football match results and scores.

GOLF

Table of golf tournament results and scores.

TELEVISION

Table of television broadcast schedules.

